

In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable for federal income tax purposes from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Ice Miller LLP, Indianapolis, Indiana, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" and APPENDIX B herein.

\$6,000,000

INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY
Variable Rate Demand Educational Facilities
Revenue Bonds, Series 2006
(Marian College Project)

Dated: Date of Issuance

Due: February 1, 2027

The Bonds will be issuable as fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry only form through DTC Participants only and no physical delivery of the Bonds will be made to purchasers as described herein. DTC will act as securities depository for the Bonds. For further information on the book-entry only system, see the caption "THE BONDS-Book-Entry Only System" herein.

The Bonds are being issued to provide funds for financing all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of certain educational facilities (the "Project") of Marian College, Inc. (the "Borrower"), an Indiana nonprofit corporation located in Indianapolis, Indiana.

The Bonds will be initially issued in a Weekly Interest Rate Mode as described herein. Subject to the conditions set forth in the Trust Indenture dated as of March 15, 2006 (the "Indenture") between the Indiana Health and Educational Facility Financing Authority (the "Issuer") and J.P. Morgan Trust Company, National Association, as trustee (the "Trustee"), the Bonds may operate in one of several Modes: Weekly, One Month, Three Month, Six Month, One Year and Five Year (each an "Adjustable Interest Rate Mode"), or a Fixed Interest Rate Mode, all as more fully described herein. Generally, the modes have different operating features. Additional information regarding subsequent modes, interest rates, and conversion between Interest Rate Modes will be made available as described herein.

The Bonds will be subject to optional, mandatory and extraordinary redemption prior to maturity as more fully described herein.

The Bonds in the Adjustable Interest Rate Modes are subject to optional tender for purchase as described herein. The Bonds in the Fixed Interest Rate Mode are not subject to optional tender for purchase. The Bonds are subject to mandatory tender for purchase under certain circumstances described herein.

From the date of original issuance, the payment of principal of, interest on and purchase price of the Bonds in all Adjustable Interest Rate Modes will be secured by an irrevocable letter of credit (the "Letter of Credit"), as described herein, issued in favor of the Trustee by:

JPMORGAN CHASE BANK, N.A.

The Letter of Credit will permit the Trustee to draw thereunder up to an amount sufficient to pay (i) the principal of the Bonds when due, at stated maturity, upon redemption or upon acceleration, (ii) the portion of the purchase price equal to the principal amount of the Bonds tendered for optional or mandatory purchase and (iii) up to 45 days' accrued interest on the Bonds at the maximum interest rate of 10% per annum, all as described herein. The stated expiration date of the Letter of Credit is April 1, 2008. The stated expiration date of the Letter of Credit may be extended as described herein. Under certain circumstances the Borrower may replace the Letter of Credit with an Alternate Letter of Credit, and the Bank may terminate the Letter of Credit prior to its stated expiration date, all as described herein.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM REVENUES DERIVED FROM THE LOAN AGREEMENT DATED AS OF MARCH 15, 2006, BETWEEN THE BORROWER AND THE ISSUER, FROM AMOUNTS DRAWN UNDER THE LETTER OF CREDIT OR ANY ALTERNATE LETTER OF CREDIT, AND FROM REVENUES PLEDGED UNDER THE INDENTURE. THESE BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT, A LIABILITY OR A GENERAL OR MORAL OBLIGATION OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF INDIANA OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF OR GRANT TO THE OWNERS THEREOF ANY RIGHT TO HAVE THE ISSUER OR THE INDIANA GENERAL ASSEMBLY OR ANY POLITICAL SUBDIVISION OF THE STATE OF INDIANA LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered by RBC Dain Rauscher Inc. d/b/a RBC Capital Markets (the "Underwriter") when, as, and if issued by the Issuer and received by the Underwriter, subject to prior sale, withdrawal, or modification of the offer without any notice, and subject to the delivery of an approving opinion by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its special counsel, Ice Miller LLP, Indianapolis, Indiana; for the Borrower by its counsel, Hall, Render, Killian, Heath & Lyman, P.C., Indianapolis, Indiana; and for the Bank by its counsel, Krieg DeVault LLP, Indianapolis, Indiana. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about March 30, 2006.



REGARDING THE USE OF THIS OFFICIAL STATEMENT

This Official Statement is being furnished to select institutional investors on a confidential basis and with the express understanding that it shall serve solely for the purpose of allowing such investors to consider the purchase of all or a portion of the Bonds. The information set forth herein under the captions “THE ISSUER” and “LITIGATION - Issuer” has been obtained from the Indiana Health and Educational Facility Financing Authority (the “Issuer”). All other information set forth herein has been obtained from Marian College, Inc. (the “Borrower”), J.P. Morgan Trust Company, National Association (the “Trustee”), JPMorgan Chase Bank, N.A. (the “Bank”), The Depository Trust Company (“DTC”), and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation by the Issuer or RBC Dain Rauscher Inc. d/b/a RBC Capital Markets (the “Underwriter”). The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances or at any time, create any implication that information herein is correct as of any time subsequent to the date of this Official Statement.

No dealer, broker, salesman or any other person has been authorized by the Issuer, the Borrower, the Underwriter or the Bank to give information or to make any representations, other than those contained herein, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Borrower, the Underwriter, the Trustee, the Bank, or any other entity. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder implies that there has been no change in the matters described herein since the date hereof. Certain information contained herein has been obtained from the Borrower, the Trustee and the Bank and other sources that are believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and such information is not to be construed to be a representation of, the Issuer or the Underwriter. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The delivery of this Official Statement at any time does not imply that the information herein is correct at any time subsequent to its date.

The Bonds are not being registered with the Securities and Exchange Commission in reliance upon an exemption from the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BORROWER AND THE BANK AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Trustee and the Bank are direct subsidiaries of JPMorgan Chase & Co. JPMorgan Chase & Co. is a multi-bank holding company. Any obligations of the Trustee or the Bank are the sole responsibility of the Trustee or the Bank, respectively, and do not create any obligations on the part of any of their affiliates.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a complete statement thereof. The Bonds are offered to potential investors only by means of the entire Official Statement, including the cover page, this summary and the Appendices hereto. No person is authorized to detach this summary from the Official Statement or otherwise use it without the entire Official Statement.

Securities Being Offered

The following securities are being offered:

\$6,000,000 Indiana Health and Educational Facility Financing Authority Variable Rate Demand Educational Facilities Revenue Bonds, Series 2006 (Marian College Project)

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM REVENUES DERIVED FROM THE LOAN AGREEMENT DATED AS OF MARCH 15, 2006, BETWEEN THE BORROWER AND THE ISSUER, FROM AMOUNTS DRAWN UNDER THE LETTER OF CREDIT OR ANY ALTERNATE LETTER OF CREDIT, AND FROM REVENUES PLEDGED UNDER THE INDENTURE. THESE BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT, A LIABILITY OR A GENERAL OR MORAL OBLIGATION OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF INDIANA OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF OR GRANT TO THE OWNERS THEREOF ANY RIGHT TO HAVE THE ISSUER OR THE INDIANA GENERAL ASSEMBLY OR ANY POLITICAL SUBDIVISION OF THE STATE OF INDIANA LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER.

The Trustee

J.P. Morgan Trust Company, National Association, will serve as the initial Trustee under the Indenture.

The Bank and the Letter of Credit

JPMorgan Chase Bank, N.A. (the "Bank") will provide a Letter of Credit for the Bonds. (See APPENDIX A.) The Letter of Credit will permit the Trustee to draw an amount with respect to the Bonds up to (a) the outstanding principal amount of the Bonds (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, upon redemption or acceleration and (ii) to enable the Trustee to pay the portion of the purchase price of Bonds or Beneficial Ownership Interests (as hereinafter defined) tendered to it equal to the principal amount of such tendered Bonds or Beneficial Ownership Interests, plus (b) an amount equal to interest to accrue on the Bonds for 45 days at the maximum interest rate of 10% per annum, (i) to enable the Trustee to pay interest on the Bonds when due and (ii) to enable the Trustee to pay the

portion, if any, of the purchase price of the Bonds or Beneficial Ownership Interests tendered to it equal to the accrued interest on such tendered Bonds or Beneficial Ownership Interests. The Letter of Credit will expire on April 1, 2008, or earlier as described therein, unless extended as provided therein.

Remarketing Agent

RBC Dain Rauscher Inc. d/b/a RBC Capital Markets has been appointed to serve as initial Remarketing Agent under the Indenture.

The Borrower and Use of Bond Proceeds

The proceeds of the sale of the Bonds will be loaned to Marian College, Inc., an Indiana nonprofit corporation (the “Borrower”), to finance all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of various educational facilities (including streets, grounds, landscaping and site improvements) on the Borrower’s campus in Indianapolis, Indiana, including (a) the expansion, renovation and equipping of athletic facilities, including locker rooms, offices, weight rooms, training facilities, and practice facilities, (b) the construction and equipping of new residential housing facilities intended to accommodate approximately 80 to 100 students, (c) the conversion of St. Francis Hall to a student center and dining facility, as well as the related relocation of existing academic facilities, and (d) the acquisition, construction, expansion, renovation, and equipping of various other and related educational facilities for the Borrower, including streets, grounds, landscaping and site improvements in connection therewith (collectively, the “Project”). (See “THE PROJECT AND USE OF BOND PROCEEDS” herein.)

The Bank does not control, either directly or indirectly through one or more intermediaries, the Borrower. Likewise, the Borrower does not control, either directly or indirectly through one or more intermediaries, the Bank. “Control” for this purpose has the meaning given to such term in Section 2(a)(9) of the Investment Company Act of 1940. The Borrower agrees to provide written notice to the Trustee, the Remarketing Agent, and the Bondholders thirty days prior to consummation of any transaction that would result in the Borrower controlling or being controlled by the Bank or any provider of an Alternate Letter of Credit or Supplemental Credit Facility.

Maturity, Redemption and Mandatory Purchase

The Bonds will mature on February 1, 2027, subject to prior optional and mandatory redemption (including optional redemption required by the Credit Agreement), and are subject to mandatory tender for purchase as set forth herein. (See “THE BONDS - Redemption Prior to Maturity”, “THE BONDS - Mandatory Tender for Purchase of Bonds upon Conversion Between Modes”, “THE BONDS - Mandatory Tender for Purchase of Bonds Upon Expiration of the Letter of Credit” and “THE BONDS - Mandatory Tender for Purchase of Bonds Upon Delivery of an Alternate Letter of Credit.”)

Interest Rates, Payment Dates and Conversion Between Interest Rate Modes

The Bonds will bear interest from the most recent date to which interest has been paid, or if no interest has been paid, from the date of initial delivery of the Bonds, at an adjustable rate of interest in one of several modes (each an “Adjustable Interest Rate Mode”) or at a Fixed Interest Rate. (The Adjustable Interest Rate Modes and the Fixed Interest Rate are collectively referred to as “Interest Rate Modes.”) The Adjustable Interest Rate Modes are: Weekly, One Month, Three Month, Six Month, One Year and Five Year.

While the Bonds bear interest in one of the Adjustable Interest Rate Modes, the Bonds bear interest during the period generally corresponding to the title of the Adjustable Interest Rate Mode (the “Interest Rate Period”) at a rate determined by the Remarketing Agent. The Remarketing Agent determines the rate on the “Interest Rate Determination Date” and such rate is effective as of the “Interest Rate Adjustment Date,” for such Interest Rate Period.

The rate of interest determined by the Remarketing Agent for a particular Interest Rate Period is to be the lowest rate at which, as of the Interest Rate Determination Date for that Interest Rate Period, in the judgment of the Remarketing Agent the Bonds could be remarketed at par, plus accrued interest (if any), on the Interest Rate Adjustment Date for that Interest Rate Period. If the Remarketing Agent has been removed or has resigned and no successor has been appointed, or if the Remarketing Agent has failed to determine the applicable interest rate, the interest rate for the next succeeding Interest Rate Period will be the interest rate then borne by the Bonds. In no event, however, can the interest rate on the Bonds for any Interest Rate Mode exceed 10% per annum.

The Bonds initially will bear interest in the Weekly Interest Rate Mode. Commencing on the first Business Day of May, 2006, the Borrower may elect, from time to time, to change Interest Rate Modes on the Bonds. The date upon which such change becomes effective is referred to as an “Interest Period Reset Date” and can only occur on the first Business Day of a month (or the first day of a month when converting from a Six Month, One Year or Five Year Adjustable Interest Rate Mode) following the conclusion of the preceding Interest Rate Period (except when converting from the Weekly Interest Rate Mode). The Bonds or Beneficial Ownership Interests (as hereinafter defined) are subject to mandatory tender for purchase on the Interest Period Reset Date upon a conversion between Interest Rate Modes, subject to the right of each Holder or Beneficial Owner (as hereinafter defined) to affirmatively elect to waive and not be subject to the mandatory tender, and to retain its Bonds or Beneficial Ownership Interests. (See “THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests upon Conversion Between Modes” herein.)

Interest on the Bonds is payable monthly on the first Business Day of each month while the Bonds bear interest in the Weekly, One Month or Three Month Interest Rate Mode, and is payable semi-annually on April 1 and October 1 while the Bonds bear interest in the Six Month, One Year, Five Year or Fixed Interest Rate Mode. The first interest payment date for the Bonds will be the first Business Day of May, 2006. The chart below sets forth Interest Rate Adjustment Dates, Interest Rate Determination Dates and Interest Rate Periods for the Adjustable Interest Rate Modes:

<u>INTEREST RATE MODE</u>	<u>INTEREST RATE ADJUSTMENT DATE</u>	<u>INTEREST RATE DETERMINATION DATE</u>	<u>INTEREST RATE PERIOD</u>
Weekly	Thursday of each week	2:00 p.m. on Wednesday of each week, or the preceding Business Day if Wednesday is not a Business Day*	1 week commencing Thursday*
One Month	1 st Business Day of each month	7 th Business Day before the Interest Rate Adjustment Date	1 month commencing the first Business Day of the month
Three Month	1 st Business Day of any month, and thereafter the first Business Day of February, May, August and November	10 th Business Day before the Interest Rate Adjustment Date	3 months commencing the first Business Day of February, May, August or November**
Six Month	1 st Business Day of any month, and thereafter February 1 and August 1	10 th Business Day before the Interest Rate Adjustment Date	6 months commencing February 1 or August 1
One Year	1 st Business Day of any month, and thereafter February 1 or August 1 commencing the next Interest Rate Period	10 th Business Day before the Interest Rate Adjustment Date	1 year commencing February 1 or August 1**
Five Year	1 st Business Day of any month, and thereafter February 1 or August 1 commencing the next Interest Rate Period	10 th Business Day before the Interest Rate Adjustment Date	5 years commencing February 1 or August 1**

* When converting from another Interest Rate Mode, the Interest Rate Determination Date for the Weekly Interest Rate Mode is 2:00 p.m. on the Business Day before the Interest Period Reset Date. The first Interest Rate Period would commence on the Interest Period Reset Date and run through the following Wednesday.

** The first Interest Rate Period may be less than the indicated period when converting from another Interest Rate Mode.

The Interest Rate Determination Date for the Fixed Interest Rate Mode is the tenth Business Day before the Interest Period Reset Date, which is the first day or Business Day of a month following the conclusion of the preceding Interest Rate Period and which is also the Interest Rate Adjustment Date. No further conversion to other Interest Rate Modes can be made after conversion to the Fixed Interest Rate Mode. (See “THE BONDS - Interest,” “Interest Rate Modes on Bonds,” and “Conversion Between Interest Rate Modes” herein.)

Purchase of Bonds or Beneficial Ownership Interests on Demand of Owners

The Bonds will be issued initially in book-entry only form, and the procedures set forth below are subject to the provisions of a Blanket Issuer Letter of Representations between the Issuer and The Depository Trust Company. (See “THE BONDS - Book-Entry Only System” and “THE BONDS - Purchase of Bonds or Beneficial Ownership Interests Upon Demand of Holders or Beneficial Owners” herein.)

While the Bonds bear interest in an Adjustable Interest Rate Mode, any Bond or any Beneficial Ownership Interest (or any portion thereof in the amount of \$100,000 or multiples of \$5,000 in excess thereof, and provided that the remaining portion to be held by the Holder or Beneficial Owner is \$100,000 or more) will be purchased by the Trustee upon the demand of the Holder or the Beneficial Owner at a purchase price equal to the principal amount plus, if the Bond bears interest in the Weekly Interest Rate Mode, accrued interest, if any, to the date of purchase. In order to make such demand, the Holder or the Beneficial Owner must give notice to the Trustee in writing or by telecopy stating (i) the name and address of the Holder or the Beneficial Owner, (ii) the principal amount, CUSIP number and Bond numbers of the Bonds or Beneficial Ownership Interests to be purchased, (iii) that such Bonds or Beneficial Ownership Interests are to be purchased on the Bond Purchase Date (as defined below) pursuant to the terms of the Indenture, and (iv) that such notice is irrevocable. The Beneficial Owner must provide the Trustee with evidence satisfactory to the Trustee of the Beneficial Owner’s interest in the Beneficial Ownership Interest tendered for purchase. The Holder must deliver the Bonds to be purchased to the Trustee at its principal corporate trust office accompanied by fully completed and executed Instructions to Sell, the form of which is printed on the Bonds. The Beneficial Owner must cause a change in the records of DTC (as hereinafter defined) to reflect the tender of a Beneficial Ownership Interest. Any Bonds not so delivered after the Holder has made a demand for purchase nevertheless shall be deemed tendered. After a demand for purchase, Beneficial Owners shall be obligated to cause a change in the records of DTC to reflect a tender of such Beneficial Ownership Interests. Notwithstanding any tender, Bonds or Beneficial Ownership Interests (or the applicable portions thereof) tendered for purchase will not be purchased if such Bonds mature or are redeemed on or prior to the applicable Bond Purchase Date. Demand notices and Bond deliveries must be given and made as follows (with all references to time meaning the applicable Eastern Time):

(a) While the Bonds bear interest in the Weekly Interest Rate Mode, the notice must be given no earlier than fifteen days but no later than seven days prior to the Bond Purchase Date. The Bond Purchase Date is determined by the Holder or Beneficial Owner and must be a Business Day and, if the Interest Rate Mode is to be converted from the Weekly Interest Rate Mode to another Interest Rate Mode, must be no later than the Interest Period Reset Date for such other Interest Rate Mode. The Bonds must be delivered to the Trustee not later than

10:00 a.m., Eastern Time, on the second Business Day before the Bond Purchase Date. The Beneficial Owner must cause the transfer of the Beneficial Owner's Beneficial Ownership Interest on the records of DTC (as hereinafter defined) by 10:00 a.m. Eastern Time on the Bond Purchase Date. In the case of a Bond (or Beneficial Ownership Interest) or portion thereof to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, the Holder or Beneficial Owner shall deliver a due-bill check, in form satisfactory to the Trustee, for interest due on such Interest Payment Date.

(a) While the Bonds bear interest in the One Month Interest Rate Mode, the notice must be given no earlier than fifteen days before the Bond Purchase Date but no later than 11:00 a.m., Eastern Time, on the fifth Business Day before the Bond Purchase Date. The Bond Purchase Date is the Interest Rate Adjustment Date for the One Month Interest Rate Mode. The Bonds must be delivered to the Trustee no later than 10:00 a.m., Eastern Time, on the fourth day before the Bond Purchase Date or the next preceding Business Day if such fourth day is not a Business Day. The Beneficial Owner must cause the transfer of the Beneficial Owner's Beneficial Ownership Interest on the records of DTC (as hereinafter defined) by 10:00 a.m. Eastern Time on the Bond Purchase Date. (See "THE BONDS - Purchase of Bonds or Beneficial Ownership Interests on Demand of Holders or Beneficial Owners" herein.)

(a) While the Bonds bear interest in an Adjustable Interest Rate Mode other than the Weekly Interest Rate Mode or the One Month Interest Rate Mode, the notice must be given no earlier than fifteen days before the Bond Purchase Date but no later than 11:00 a.m., Eastern Time, on the eighth Business Day before the Bond Purchase Date. The Bond Purchase Date is the Interest Rate Adjustment Date for that Adjustable Interest Rate Mode. The Bonds must be delivered to the Trustee no later than 10:00 a.m., Eastern Time, on the seventh day before the Bond Purchase Date or the next preceding Business Day if such seventh day is not a Business Day. The Beneficial Owner must cause the transfer of the Beneficial Owner's Beneficial Ownership Interest on the records of DTC (as hereinafter defined) by 10:00 a.m. Eastern Time on the Bond Purchase Date. (See "THE BONDS - Purchase of Bonds or Beneficial Ownership Interests on Demand of Holders or Beneficial Owners" herein.)

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OFFICIAL STATEMENT
RELATING TO
THE ORIGINAL ISSUANCE OF

\$6,000,000

Indiana Health and Educational Facility Financing Authority
Variable Rate Demand Educational Facilities Revenue Bonds,
Series 2006 (Marian College Project)

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, the Table of Contents page, the Official Statement Summary and the Appendices, is provided to furnish information in connection with the original issuance and sale by the Indiana Health and Educational Facility Financing Authority (the “Issuer”) of \$6,000,000 Indiana Health and Educational Facility Financing Authority Variable Rate Demand Educational Facilities Revenue Bonds, Series 2006 (Marian College Project) (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture dated as of March 15, 2006 (the “Indenture”), between the Issuer and J.P. Morgan Trust Company, National Association, as trustee (the “Trustee”). The Bonds will be dated as of and bear interest from the date of their initial delivery pursuant to the instructions of RBC Dain Rauscher Inc. d/b/a RBC Capital Markets (the “Underwriter”). The Bonds will mature on February 1, 2027, and will be subject to redemption prior to maturity as described herein under “THE BONDS - Redemption Prior to Maturity.”

The proceeds received from the sale of the Bonds will be loaned to Marian College, Inc., an Indiana nonprofit corporation (the “Borrower”), pursuant to the terms of a Loan Agreement dated as of March 15, 2006 between the Borrower and the Issuer (the “Loan Agreement”), to finance all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of various educational facilities (including streets, grounds, landscaping and site improvements) on the Borrower’s campus in Indianapolis, Indiana, including (a) the expansion, renovation and equipping of athletic facilities, including locker rooms, offices, weight rooms, training facilities, and practice facilities, (b) the construction and equipping of new residential housing facilities intended to accommodate approximately 80 to 100 students, (c) the conversion of St. Francis Hall to a student center and dining facility, as well as the related relocation of existing academic facilities, and (d) the acquisition, construction, expansion, renovation, and equipping of various other and related educational facilities for the Borrower, including streets, grounds, landscaping and site improvements in connection therewith (collectively, the “Project”). The Project and the projected use of the proceeds of the Bonds are more particularly described in “THE PROJECT AND USE OF BOND PROCEEDS.” Pursuant to the Loan Agreement, the Borrower will agree to make payments by the times and in the amounts necessary to pay the principal of, premium (if any) and interest on the Bonds when due (the “Bond Service Charges”). To evidence such obligation, the Borrower also will execute and deliver to the Issuer a promissory note (the “Note”) in a principal amount equal to the principal amount of the Bonds which Note will be assigned by the Issuer to the Trustee.

The Bonds will constitute special limited obligations of the Issuer, payable solely from the revenues assigned and pledged by the Indenture to secure such payment, which will include moneys drawn under the Letter of Credit described below. (See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.) Those revenues will also include the loan payments required to be made by the Borrower under the Loan Agreement and the Note.

The Bonds will be payable from the proceeds of draws under a Letter of Credit (the “Letter of Credit”) issued by JPMorgan Chase Bank, N.A. (the “Bank”) (see “THE LETTER OF CREDIT” herein). The repayment of drawings under the Letter of Credit will be provided pursuant to a Reimbursement Agreement dated as of March 15, 2006 (the “Credit Agreement”) between the Bank and the Borrower.

The Bank does not control, either directly or indirectly through one or more intermediaries, the Borrower. Likewise, the Borrower does not control, either directly or indirectly through one or more intermediaries, the Bank. “Control” for this purpose has the meaning given to such term in Section 2(a)(9) of the Investment Company Act of 1940. The Borrower agrees to provide written notice to the Trustee, the Remarketing Agent, and the Bondholders thirty days prior to consummation of any transaction that would result in the Borrower controlling or being controlled by the Bank or any provider of an Alternate Letter of Credit or Supplemental Credit Facility.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Bank and are not being offered on the basis of the financial strength of the Issuer, the Borrower or any other security. This Official Statement does not describe the financial condition of the Borrower. The Bonds are subject to acceleration of maturity upon the occurrence of a default by the Borrower under the Credit Agreement, but such defaults are not fully described herein. As a result of the foregoing, prospective investors will not be able to evaluate the likelihood of a default by the Borrower under the Credit Agreement and resulting acceleration of the Bonds.

ANY PREMIUM PAYABLE ON THE BONDS UPON THEIR OPTIONAL REDEMPTION WHILE THEY BEAR INTEREST AT THE FIXED INTEREST RATE (SEE “THE BONDS - OPTIONAL REDEMPTION” HEREIN) IS NOT SECURED BY THE LETTER OF CREDIT.

As long as the Bonds bear interest in any of the Adjustable Interest Rate Modes defined under “THE BONDS-Interest” herein, the Bonds will be purchased by the Trustee upon demand by the registered owner thereof (initially, The Depository Trust Company, or its nominee) (the “Holder”), and beneficial ownership interests in Bonds (“Beneficial Ownership Interests”) will be purchased by the Trustee upon the demand of the owners thereof (“Beneficial Owners”). Any such purchase will be made on the applicable Bond Purchase Date, as defined herein under “THE BONDS - Purchase of Bonds or Beneficial Ownership Interests on Demand of Holders or Beneficial Owners”. The Beneficial Owner must provide satisfactory evidence to the Trustee of such Beneficial Owner’s Beneficial Ownership Interest and must comply with the remaining requirements of the Indenture applicable to the tender of Beneficial Ownership Interests (see “THE BONDS - Purchase of Bonds or Beneficial Ownership Interests Upon Demand of Holders

or Beneficial Owners”). The Indenture provides for the remarketing by the Remarketing Agent, initially, RBC Dain Rauscher Inc. d/b/a RBC Capital Markets (the “Remarketing Agent”), of the Bonds or Beneficial Ownership Interests tendered by the Holders or Beneficial Owners thereof. If the proceeds of remarketing are not sufficient to purchase the Bonds or Beneficial Ownership Interests tendered for purchase, the Trustee is required to draw on the Letter of Credit to pay the necessary purchase price.

The Borrower may convert the Bonds to a different Adjustable Interest Rate Mode or to a Fixed Interest Rate Mode as of a specified date (the “Interest Period Reset Date”). The Bonds or Beneficial Ownership Interests are subject to mandatory purchase on any such Interest Period Reset Date from proceeds of remarketing or from proceeds of a drawing on the Letter of Credit, subject to the right of each Holder or Beneficial Owner to affirmatively elect to waive and not be subject to the mandatory tender, and to retain its Bonds or Beneficial Ownership Interests (see “THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests upon Conversion Between Modes” herein).

The Borrower may provide for the delivery of an Alternate Letter of Credit (as hereinafter defined) to the Trustee. The Bonds or Beneficial Ownership Interests are subject to mandatory tender upon the delivery of an Alternate Letter of Credit to the Trustee, subject to the right of each Holder or Beneficial Owner to affirmatively elect to waive and not be subject to the mandatory tender, and to retain its Bonds or Beneficial Ownership Interests. (See “THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit” herein.)

On the Interest Payment Date which next precedes the Termination Date by at least two Business Days (as hereinafter defined) of the Letter of Credit or the expiration date of any Alternate Letter of Credit, the Bonds or Beneficial Ownership Interests are subject to mandatory purchase from the Holders or Beneficial Owners thereof unless, at least 45 days prior to such Interest Payment Date, the Bank shall have provided to the Trustee written evidence of an extension of the expiration date of the Letter of Credit to a date not earlier than one year from the expiration date of such Letter of Credit. The mandatory purchase of Bonds or Beneficial Ownership Interests upon expiration of the Letter of Credit or any Alternate Letter of Credit may not be waived by the Holders or Beneficial Owners of such Bonds or Beneficial Ownership Interests, and the Holders or Beneficial Owners have no right to elect to retain their Bonds or Beneficial Ownership Interests. (See “THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Expiration of the Letter of Credit or Alternate Letter of Credit.”)

Except for the information contained herein under the captions “THE ISSUER” and “LITIGATION - Issuer,” the Issuer has not provided any of the information contained in this Official Statement. The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Borrower, the Bank, the Underwriter or any other person.

Herein follow brief descriptions of the Issuer, the Borrower, the Project, and the Bonds, together with summaries of the Letter of Credit, the Credit Agreement, the Loan Agreement and the Indenture. Information regarding the Bank is included in Appendix A hereto. The

descriptions and summaries of the Letter of Credit, the Credit Agreement, the Loan Agreement, the Indenture and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Copies of such documents will be available at the offices of the Underwriter, RBC Dain Rauscher Inc. d/b/a RBC Capital Markets, at One Mill Run, Suite 101, 3455 Mill Run Drive, Hilliard, Ohio 43026, Attention: Public Finance Department, until the issuance and delivery of the Bonds, and thereafter at the Indianapolis corporate trust office of the Trustee, presently J.P. Morgan Trust Company, National Association, 1 East Ohio Street, Mail Code IN1-0152, Indianapolis, Indiana 46277-0152, Attention: Corporate Trust Department.

THE ISSUER

The Issuer is a body corporate and politic of the State of Indiana. The Bonds are authorized and issued by the Issuer pursuant to the provisions of the Constitution and statutes of the State of Indiana, particularly Indiana Code 5-1-16 and Indiana Code 20-12-63, each as supplemented and amended (together, the “Act”), and pursuant to a Resolution passed by the Issuer.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM REVENUES DERIVED FROM THE LOAN AGREEMENT, FROM AMOUNTS DRAWN UNDER THE LETTER OF CREDIT OR ANY ALTERNATE LETTER OF CREDIT, AND FROM REVENUES PLEDGED UNDER THE INDENTURE. THESE BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT, A LIABILITY OR A GENERAL OR MORAL OBLIGATION OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF INDIANA OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF OR GRANT TO THE OWNERS THEREOF ANY RIGHT TO HAVE THE ISSUER OR THE INDIANA GENERAL ASSEMBLY OR ANY POLITICAL SUBDIVISION OF THE STATE OF INDIANA LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER.

THE BORROWER

The Borrower, an Indiana nonprofit corporation, conducts its operations from a campus located in Indianapolis, Indiana.

The Bank does not control, either directly or indirectly through one or more intermediaries, the Borrower. Likewise, the Borrower does not control, either directly or indirectly through one or more intermediaries, the Bank. “Control” for this purpose has the meaning given to such term in Section 2(a)(9) of the Investment Company Act of 1940. The Borrower agrees to provide written notice to the Trustee, the Remarketing Agent, and the Bondholders thirty days prior to consummation of any transaction that would result in the

Borrower controlling or being controlled by the Bank or any provider of an Alternate Letter of Credit or Supplemental Credit Facility.

THE BONDS ARE BEING OFFERED ON THE BASIS OF THE LETTER OF CREDIT AND NOT ON THE BASIS OF THE FINANCIAL STRENGTH OF THE BORROWER. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE BORROWER IS INCLUDED IN THIS OFFICIAL STATEMENT.

THE PROJECT AND USE OF BOND PROCEEDS

The proceeds of the Bonds will be loaned to the Borrower and used to finance costs of issuance of the Bonds, costs of credit enhancement, and all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of the Project.

A portion of the proceeds of the Bonds will be loaned to the Borrower and used to finance all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of various educational facilities (including streets, grounds, landscaping and site improvements) on the Borrower's campus in Indianapolis, Indiana, including (a) the expansion, renovation and equipping of athletic facilities, including locker rooms, offices, weight rooms, training facilities, and practice facilities, (b) the construction and equipping of new residential housing facilities intended to accommodate approximately 80 to 100 students, (c) the conversion of St. Francis Hall to a student center and dining facility, as well as the related relocation of existing academic facilities, and (d) the acquisition, construction, expansion, renovation, and equipping of various other and related educational facilities for the Borrower, including streets, grounds, landscaping and site improvements in connection therewith (collectively, the "Project").

THE BONDS

General

The Bonds will be issued as fully registered Bonds without coupons and will be dated as of and bear interest from the date of their initial delivery. The Bonds will mature on February 1, 2027, and are subject to mandatory and optional redemption prior to maturity as described below under "THE BONDS - Redemption Prior to Maturity." The Bonds are issuable in denominations of \$100,000 and increments of \$5,000 in excess thereof.

A DEFAULT BY THE BORROWER UNDER THE CREDIT AGREEMENT COULD CONSTITUTE AN EVENT OF DEFAULT UNDER THE INDENTURE AND RESULT IN THE ACCELERATION OF THE BONDS PRIOR TO THEIR MATURITY.

The Bonds will be issued initially solely in book-entry form. See "THE BONDS - Book-Entry Only System" below.

In the event that the Bonds are no longer held in a book-entry only system, the principal of and redemption premium (if any) on the Bonds will be payable at the principal corporate trust office of, or at the office designated by, the Trustee, as Paying Agent, as defined in the Indenture, and payments of interest due on each Bond will be made by check or draft mailed on each Interest Payment Date described below to the Holder of that Bond as of the close of business on the first Business Day preceding an Interest Payment Date (the “Regular Record Date”) at such Holder’s address as it appears on the registration books maintained by the Trustee, as Registrar. The term “Business Day” means a day of the year other than a Saturday or Sunday on which commercial banks, located in the cities in which the principal corporate trust office of the Trustee and the principal offices of the Bank and the Remarketing Agent are located, are not required or authorized to remain closed and on which The New York Stock Exchange is not closed. In the event of a default in the payment of interest on any Bond when due, the Trustee may establish a Special Record Date with respect to that payment of interest when money becomes available for such payment.

Any act required to be done by a certain time is to be done as of the applicable Eastern Time.

Book-Entry Only System

The Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to tenders of Beneficial Ownership Interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Indenture.

The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. None of the Issuer, the Trustee, the Borrower, the Bank, the Underwriter or the Remarketing Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Bond certificate will be issued, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. ETC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. “Direct Participants” include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is

owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds ("Beneficial Ownership Interest") are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their Beneficial Ownership Interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed

by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Beneficial Ownership Interests purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Beneficial Ownership Interests by causing the Direct Participant to transfer the Participant's interest in the Bonds on DTC's records, to the purchaser or the Trustee, as appropriate. The requirements for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered, as described below under "THE BONDS-Revision of Book-Entry System; Replacement Bonds."

NONE OF THE ISSUER, THE BORROWER, THE BANK OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER, EXCEPT AS PROVIDED WITH RESPECT TO THE PURCHASE OF A BENEFICIAL OWNERSHIP INTEREST, OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS (EXCEPT AS PROVIDED WITH RESPECT TO THE PURCHASE OF A BENEFICIAL OWNERSHIP INTEREST) OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by

such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, Or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

DTC Letter of Representations

Certain duties of DTC and procedures to be followed by DTC, the Trustee and the Remarketing Agent will be set forth in a Blanket Issuer Letter of Representations, as supplemented (the “DTC Letter of Representations”) between the Issuer and DTC. In the event of any conflict between the provisions of the Indenture and the provisions of the DTC Letter of Representations relating to delivery of Bonds to the Trustee, the provisions of the DTC Letter of Representations shall control.

Revision of Book-Entry System; Replacement Bonds

The Indenture provides for the issuance and delivery of fully registered Bonds (the “Replacement Bonds”) directly to owners other than DTC only in the event that DTC determines not to continue to act as securities depository for the Bonds.

Upon occurrence of such event, the Issuer may attempt to establish a securities depository book-entry relationship with another securities depository. If the Issuer does not do so, or is unable to do so, and after the Trustee has notified the Beneficial Owners or their representatives with respect to the Bonds by appropriate notice to DTC, the Issuer will issue and the Trustee will authenticate and deliver Replacement Bonds with minimum denominations of \$100,000 to the assignees of the Depository or its nominee.

In the event that the book-entry only system is discontinued, the principal or redemption price of and interest on the Bonds will be payable in the manner described above in the third paragraph under “THE BONDS --General,” and the following provisions would apply. The Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the designated office of the Trustee as Registrar or at the designated office of any Authenticating Agent (initially, the Trustee) by the registered owners or their duly authorized attorneys or legal representatives. Upon surrender of any Bonds to be transferred or exchanged, the Issuer will execute, and the Registrar will record the transfer or exchange in its registration books and the Registrar or Authenticating Agent shall authenticate and deliver, new Bonds appropriately registered and in appropriate authorized denominations. Neither the Issuer, the Registrar nor any Authenticating Agent shall be required to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day

of the mailing of a notice of redemption of the Bonds and ending at the close of business on the day of such mailing, nor any Bond all or part of which has been selected for redemption.

Interest

The Bonds will bear interest in one of several different Adjustable Interest Rate Modes: Weekly, One Month, Three Month, Six Month, One Year or Five Year (the “Adjustable Interest Rate Modes”) or at a Fixed Interest Rate in the Fixed Interest Rate Mode. (The Adjustable Interest Rate Modes and the Fixed Interest Rate Mode are referred to as “Interest Rate Modes”.) The Interest Rate Modes are described below under “Interest Rate Modes on Bonds”. The Borrower may elect to convert the Interest Rate Mode on the Bonds, from time to time, as described under “Conversion Between Interest Rate Modes” below.

While Bonds bear interest in one of the Adjustable Interest Rate Modes they bear interest in such mode for a period of time generally corresponding to the title of that Adjustable Interest Rate Mode (the “Interest Rate Period”) at a rate determined by the Remarketing Agent. The Remarketing Agent determines the interest rate for a particular Interest Rate Period on the Interest Rate Determination Date for such Interest Rate Period. The Interest Rate Periods and Interest Rate Determination Dates for each Adjustable Interest Rate Mode are described below under “Interest Rate Modes on Bonds”.

The Interest Payment Dates for the Bonds will be (a) the first Business Day of each month for any periods that Bonds bear interest at the Weekly Interest Rate, the One Month Interest Rate or the Three Month Interest Rate or (b) the first day of each February and August for any periods that Bonds bear interest at the Six Month Interest Rate, the One Year Interest Rate, the Five Year Interest Rate or the Fixed Interest Rate.

While Bonds bear interest in the Weekly, the One Month or the Three Month Interest Rate Mode, such interest shall be calculated on the basis of a 365/366 day year. While Bonds bear interest in the Six Month, One Year, Five Year or Fixed Interest Rate Mode, such interest shall be calculated on the basis of a 360 day year, consisting of twelve 30-day months.

The Bonds will bear interest initially at the Weekly Interest Rate. The first Interest Payment Date on the Bonds will be the first Business Day of May, 2006.

From the date of initial delivery through Wednesday of the following week, the interest rate on the Bonds shall be the rate per annum initially determined by the Underwriter. Thereafter, the Bonds shall bear interest at the Weekly Interest Rate as determined by the Remarketing Agent on each Interest Rate Determination Date, unless and until there has occurred a change to a different Interest Rate Mode on an applicable Interest Period Reset Date (defined under “Conversion Between Interest Rate Modes” herein).

Interest Rate Modes on Bonds

While the Bonds bear interest in one of the Adjustable Interest Rate Modes, the interest rate for a particular Interest Rate Period is determined by the Remarketing Agent on the Interest Rate Determination Date. Such interest rate is effective on the Interest Rate Adjustment Date, for the succeeding Interest Rate Period.

The interest rate determined on the Interest Rate Determination Date is to be that rate of interest per annum which the Remarketing Agent determines to be the lowest interest rate, for the Interest Rate Period commencing on the next Interest Rate Adjustment Date, in the judgment of the Remarketing Agent (taking into consideration current transactions and comparable securities with which the Remarketing Agent is involved or of which it is aware and prevailing financial market conditions) that would enable the Bonds to be remarketed at par, plus accrued interest (if any), on the Interest Rate Adjustment Date for that Interest Rate Period. In the event that the Remarketing Agent has been removed or has resigned and no successor has been appointed or the Remarketing Agent has failed to determine the appropriate interest rate on the Interest Rate Determination Date for whatever reason, the interest rate then in effect with respect to the Bonds, without adjustment, will continue for the next Interest Rate Period. In no event, however, may any interest rate on the Bonds exceed 10% per annum.

On the Interest Rate Determination Date, the Remarketing Agent will give the Trustee notice of the interest rate to be borne by the Bonds for the following Interest Rate Period. After any Interest Rate Determination Date any Holder or Beneficial Owner may contact the Trustee (317) 321-6546 or the Remarketing Agent (614) 527-2313 in order to be advised of the applicable interest rate. No notice of the applicable interest rate will be sent to the Holders or Beneficial Owners.

The determination of any interest rate by the Remarketing Agent is binding and conclusive upon the Borrower, the Bank, the Beneficial Owners and the Holders of the Bonds.

The Interest Rate Modes and their Interest Rate Determination Dates, Interest Rate Adjustment Dates and Interest Rate Periods are as follows:

Weekly Interest Rate. In the Weekly Interest Rate Mode, the Interest Rate Period is a period of one week commencing on Thursday. The Interest Rate Determination Date in the Weekly Interest Rate Mode is not later than 2:00 p.m. on Wednesday of each week, or the next preceding Business Day if Wednesday is not a Business Day. The Interest Rate Adjustment Date for the Weekly Interest Rate Mode is Thursday of each week. (In the event of a conversion to the Weekly Interest Rate Mode from a different Interest Rate Mode, the first Interest Rate Period may be less than one week. Such first Interest Rate Period commences on the Interest Period Reset Date, which must be the first Business Day of a month (or the first day of a month upon conversion from a Six Month, One Year or Five Year Interest Rate Mode) and ends on the next succeeding Wednesday. In such event, the Interest Rate Determination Date is not later than 2:00 p.m. on the Business Day preceding the Interest Period Reset Date. In the event of a conversion from the Weekly Interest Rate Mode to a different Interest Rate Mode, the last Interest Rate Period may be less than one week as a result of such last Interest Rate Period ending on the day preceding the first Business Day or the first day of a month.)

One Month Interest Rate. In the One Month Interest Rate Mode, the Interest Rate Adjustment Date is the first Business Day of the month and the Interest Rate Period is one month commencing on the first Business Day of the month to and including the day preceding the first Business Day of the next month. The Interest Rate Determination Date is the seventh Business Day preceding the first Business Day of the month.

Three Month Interest Rate. In the Three Month Interest Rate Mode, the Interest Rate Adjustment Date is the first Business Day of each February, May, August and November and the Interest Rate Period commences on the Interest Rate Adjustment Date and continues up to and including the day preceding the next Interest Rate Adjustment Date. The Interest Rate Determination Date is the tenth Business Day before the Interest Rate Adjustment Date. (In the event of a conversion from another Interest Rate Mode to the Three Month Interest Rate Mode, the first Interest Rate Adjustment Date would be the Interest Period Reset Date for the Three Month Interest Rate Mode which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than a full three months.)

Six Month Interest Rate. In the Six Month Interest Rate Mode, the Interest Rate Adjustment Dates are February 1 and August 1 and the Interest Rate Period commences on the Interest Rate Adjustment Date and continues up to and including the day preceding the next Interest Rate Adjustment Date. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date. (Upon a conversion from another Interest Rate Mode to the Six Month Interest Rate Mode, the first Interest Rate Adjustment Date is the Interest Period Reset Date for the Six Month Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than a full six months.)

One Year Interest Rate. In the One Year Interest Rate Mode, the Interest Rate Adjustment Date is either February 1 or August 1 and the Interest Rate Period is a one year period commencing on the appropriate Interest Rate Adjustment Date and ending on either January 31 or July 31. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date. (Upon a conversion from another Interest Rate Mode to the One Year Interest Rate Mode, the First Interest Rate Adjustment Date would be the Interest Period Reset Date for the One Year Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than one full year).

Five Year Interest Rate. In the Five Year Interest Rate Mode, the Interest Rate Adjustment Date is either February 1 or August 1 and the Interest Rate Period is a five year period commencing on the appropriate Interest Rate Adjustment Date and ending on either January 31 or July 31. The Interest Rate Determination Date is the tenth Business Day preceding the November Rate Adjustment Date. (Upon a conversion to the Five Year Interest Rate Mode from another Interest Rate Mode, the first Interest Rate Adjustment Date would be the Interest Period Reset Date for the Five Year Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than five full years).

Fixed Interest Rate. In the Fixed Interest Rate Mode, there is only one Interest Rate Adjustment Date and that is the Interest Period Reset Date upon which such Interest Rate Mode commences. The Interest Rate Period commences on such Interest Rate Adjustment Date and continues to the final maturity of the Bonds. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date.

Conversion Between Interest Rate Modes

The Interest Rate Mode on the Bonds may be changed, at the election of the Borrower, as of an Interest Period Reset Date in the manner described below. "Interest Period Reset Date" means the date on which the Interest Rate Mode on the Bonds converts from one Interest Rate Mode to a new Interest Rate Mode. An Interest Period Reset Date must be the first Business Day of a month; provided that, upon conversion from a Six Month, One Year or Five Year Interest Rate Mode, an Interest Period Reset Date shall be the first day of a month; and provided further that, except when converting from a Weekly Interest Rate Mode, an Interest Period Reset Date may not occur prior to the end of the preceding Interest Rate Period.

On the first Business Day of May, 2006, and on any Interest Period Reset Date thereafter, the Interest Rate Mode on the Bonds may be converted to a different Interest Rate Mode upon receipt by the Trustee and the Remarketing Agent of a written direction from the Borrower given on behalf of the Issuer, not less than 45 days prior to such Interest Period Reset Date, to convert the Interest Rate Mode on the Bonds to an Interest Rate Mode other than the Interest Rate Mode then in effect. Except when converting from the Weekly Interest Rate Mode, no Interest Period Reset Date shall be earlier than the day after the end of the Interest Rate Period in effect on the date of such direction from the Borrower. Such direction to convert the Interest Rate Mode on the Bonds to a different Interest Rate Mode shall be accompanied by (a) an opinion of nationally recognized bond counsel ("Bond Counsel") stating that the conversion to the specified Interest Rate Mode will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes, (b) a written certificate of the Remarketing Agent stating that the interest coverage period provided by the then existing Letter of Credit is appropriate for the Interest Rate Mode directed to be in effect and that the termination date of the Letter of Credit is no earlier than fifteen days after the end of the new Interest Rate Period or, in the event of a conversion to the Fixed Interest Rate, no earlier than fifteen days after the First Optional Redemption Date (as hereinafter defined), and (c) a written certificate of the Remarketing Agent stating that it has received certifications, opinions or other evidence satisfactory to it that there has been or will be compliance with any applicable state or federal securities law requirements. If the Bonds bear interest at the Weekly Interest Rate, the One Month Interest Rate or the Three Month Interest Rate, the interest coverage period for the Letter of Credit must be at least 45 days of interest at the maximum interest rate. If the Bonds bear interest at the Six Month Interest Rate, the One Year Interest Rate, the Five Year Interest Rate or the Fixed Interest Rate, then the interest coverage period for the Letter of Credit must be at least 195 days of interest at the maximum interest rate. The Borrower shall be required to provide a Letter of Credit or an Alternate Letter of Credit which will provide the appropriate interest coverage. Notwithstanding any provision of this paragraph, no conversion shall be effective (i) if the Bonds after the conversion would bear interest at a One Year Interest Rate, Five Year Interest Rate or Fixed Interest Rate and the Borrower makes an election on the day immediately succeeding any Interest Rate Determination Date not to proceed with the proposed conversion or (ii) the Trustee has not received on the effective date of such conversion an opinion of Bond Counsel to the same effect as described in clause (a) above. In either such event, the Interest Rate Mode for the Bonds will remain as the Interest Rate Mode then in effect for the Bonds without regard to any proposed conversion. The Bonds and Beneficial Ownership Interests will continue to be subject to tender for purchase on the scheduled effective date of the proposed conversion without regard to the failure of such proposed conversion. If the Trustee shall have sent any notice to Holders

or Beneficial Owners regarding the proposed conversion, then in the event of a failure of such conversion as specified above, the Trustee shall promptly notify all Holders or Beneficial Owners of such failure, of the reason for such failure, and of the continuation of the Interest Rate Mode then in effect.

If the Interest Rate Mode on the Bonds is converted to a different Interest Rate Mode, at least 30 days prior to the Interest Period Reset Date, the Trustee shall notify Holders of all outstanding Bonds by first class mail that on such Interest Period Reset Date the Bonds shall be converted to a different Interest Rate Mode, which Interest Rate Mode shall be specified, and that all Bonds and Beneficial Ownership Interests shall be subject to mandatory tender, subject to the right of Holders or Beneficial Owners to affirmatively elect to waive and not be subject to the mandatory tender, and to retain their Bonds or Beneficial Ownership Interests. (See “THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Conversion Between Modes.”) Except as otherwise described herein, so long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of Bonds for all purposes under the Indenture. (See “THE BONDS -- Book-Entry Only System” herein.) Consequently, the foregoing notices of conversion will be sent by the Trustee only to DTC or its nominee and any corresponding notice to the Beneficial Owners will be the responsibility of DTC and the applicable Direct Participant or Indirect Participant.

The Borrower may elect to convert between Interest Rate Modes with respect to the Bonds from time to time, as described above. If the Borrower, however, elects to convert the Bonds to a Fixed Interest Rate Mode, no further conversions between Interest Rate Modes may be made with respect to the Bonds.

Mutilated, Lost, Wrongfully Taken or Destroyed Bonds

If a Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the Issuer and Registrar that such Bond has been acquired by a bona fide purchaser, the Registrar shall authenticate a new Bond. Any mutilated Bond shall be surrendered to the Registrar, and in the case of any lost, wrongfully taken or destroyed Bond, there shall be first furnished to the Registrar evidence of such loss, wrongful taking or destruction satisfactory to the Registrar, together with indemnity to the Registrar, the Issuer, the Trustee, the Borrower and the Bank satisfactory to each of them. In the event any such lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond, the Borrower may direct the Trustee to pay the same without surrender thereof upon the furnishing of the satisfactory evidence and indemnity as in the case of issuance of a new Bond. The Registrar and the Trustee may charge the Holder of such Bond their reasonable fees and expenses in connection therewith.

Redemption Prior to Maturity

The Bonds are callable for redemption in the circumstances and in the manner described below under “THE BONDS - Optional Redemption,” “THE BONDS - Mandatory Sinking Fund Redemption” and “THE BONDS - Mandatory Redemption.”

Optional Redemption. Upon the election of the Borrower, the Bonds are subject to redemption by the Issuer, but only while the Bonds bear interest in one of the Adjustable Interest Rate Modes, in whole or in part (in integral multiples of \$5,000, provided that the unredeemed portion of any Bond redeemed in part shall be \$100,000 or more) on any Interest Payment Date, while the Bonds bear interest in a Weekly Interest Rate Mode, and on any Interest Rate Adjustment Date, while the Bonds bear interest in other Adjustable Rate Modes, at a redemption price of 100% of the principal amount redeemed, plus interest accrued thereon to the redemption date.

Pursuant to the terms of the Credit Agreement, the Borrower is obligated to direct the Trustee to redeem Bonds annually in the principal amounts set forth in the Credit Agreement. The timing and amount of any required optional redemption of the Bonds is subject to change at the discretion and upon agreement of the Borrower and the Bank.

If the Bonds bear interest at the Fixed Interest Rate, upon the election of the Borrower, the Bonds are subject to redemption by the Issuer in whole or in part (in integral multiples of \$5,000, provided that the unredeemed portion of any Bond redeemed in part shall be \$100,000 or more) at any time on or after the First Optional Redemption Date, as defined below, at redemption prices described below (as a percentage of principal to be redeemed) plus accrued interest to the date of redemption:

<u>Redemption Dates</u> <u>Occurring During Following Periods</u>	<u>Redemption Prices</u>
First Optional Redemption Date, through the following last day of September	103%
First Anniversary of the First Optional Redemption Date, through the following last day of September	102%
Second Anniversary of the First Optional Redemption Date through the following last day of September	101%
Third Anniversary of the First Optional Redemption Date and thereafter	100%

“First Optional Redemption Date” means the February 1 occurring in the year which is a number of years after the Interest Period Reset Date for the Fixed Interest Rate Period equal to the number of full years between the Interest Period Reset Date and the maturity date of the Bonds, multiplied by one-half and rounded up to the nearest whole number.

Any portion of any redemption price in excess of 100% of the principal amount redeemed plus accrued interest is not payable from a draw on the Letter of Credit.

In addition, at the option of the Borrower, the Bonds are subject to redemption by the Issuer at any time in whole at a redemption price of 100% of the principal amount thereof

redeemed, plus accrued interest thereon to the redemption date, upon the occurrence of any of the following events:

(a) The Project shall have been damaged or destroyed to such an extent that (1) it cannot reasonably be expected to be restored, within a period of three months, to the condition thereof immediately preceding such damage or destruction or (2) its normal use and operation is reasonably expected to be prevented for a period of three consecutive months;

(b) Title to, or the temporary use of, all or a significant part of the Project shall have been taken under the exercise of the power of eminent domain (1) to such extent that the Project cannot reasonably be expected to be restored within a period of three months to a condition or usefulness comparable to that existing prior to the taking or (2) as a result of the taking, normal use and operation of the Project is reasonably expected to be prevented for a period of three consecutive months; or

(c) As a result of any changes in the Constitution of the State of Indiana, the Constitution of the United States of America, or state or federal laws, or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer, the Trustee or the Borrower in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Loan Agreement, or if unreasonable burdens or excessive liabilities shall have been imposed with respect to the Project or the operation thereof, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement other than ad valorem taxes presently levied upon privately owned property used for the same general purpose as the Project.

To exercise any such redemption option, the Borrower within 90 days following the event authorizing the exercise of that option, or at any time during the continuation of the condition referred to in clause (c) above, shall give notice to the Issuer and to the Trustee specifying the date on which the Borrower will deliver the funds required for that redemption, which date shall be not more than 90 days from the date that notice is mailed and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The Borrower also shall have the option, in the event that title to or the temporary use of a portion of the Project shall be taken under the exercise of the power of eminent domain, even if the taking is not of such nature as to permit the exercise of the redemption option upon an event specified in (b) above, to direct the redemption, at a redemption price of 100% of the principal amount thereof prepaid, plus accrued interest to the redemption date, of that part of the outstanding principal balance of the Bonds as may be payable from the proceeds received by the Borrower (after the payment of costs and expenses incurred in the collection thereof) received in the eminent domain proceeding, provided that the Borrower shall furnish to the Issuer and the Trustee a certificate of an Engineer (as defined in the Loan Agreement) stating that (1) the facilities comprising the part of the Project taken are not essential to continued operations of the Project in the manner existing prior to that taking, (2) the Project has been restored to a condition

substantially equivalent to that existing prior to the taking, or (3) other improvements have been acquired or made which are suitable for the continued operation of the Project.

Mandatory Sinking Fund Redemption. In the event the Bonds bear interest in the Five Year Interest Rate Mode or the Fixed Interest Rate Mode, the Bonds shall be subject to mandatory sinking fund redemption requirements at a redemption price of 100% of the principal amount of the Bonds redeemed, plus interest accrued to the redemption date, on each February 1 in the principal amounts set forth in the Credit Agreement as in effect 225 days prior to such conversion. The mandatory sinking fund redemption requirements shall apply for the remaining term for which the Bonds will be outstanding if the Bonds bear interest in the Fixed Interest Rate Mode and, if the Bonds bear interest in the Five Year Interest Rate Mode, shall apply for the years the Bonds bear interest in the Five Year Interest Rate Mode.

Mandatory Redemption. Upon the occurrence of a Determination of Taxability, as defined below, the Bonds are subject to mandatory redemption in whole by the Issuer at a redemption price of 100% of the outstanding principal amount thereof, plus accrued interest to the redemption date, at the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 45 days following the Trustee's receipt of notification of the Determination of Taxability. **The occurrence of a Determination of Taxability with respect to the Bonds will not constitute an Event of Default under the Indenture and the Bonds will be subject to mandatory redemption in accordance with this paragraph. No redemption premium will be payable and no increase in the interest payable with respect to the Bonds will occur in the event a Determination of Taxability occurs.**

"Determination of Taxability" means and shall occur when, (i) the Trustee receives written notice from the Borrower, supported by an opinion of Bond Counsel, that interest on the Bonds is includable in the gross income of Holders of the Bonds for federal income tax purposes or (ii) the Internal Revenue Service shall claim in writing that interest on the Bonds is includable in the gross income of Holders of the Bonds for federal income tax purposes; provided, that such a claim shall not be deemed a Determination of Taxability unless the Borrower is afforded reasonable opportunity (at its sole expense and for a period not to exceed two years) to pursue any judicial or administrative remedy available to the Borrower with respect to such claim.

Notice of Redemption and Payments. Notice of redemption with respect to the Bonds is to be given by the Trustee on behalf of the Issuer to the registered owner of each Bond being redeemed by first class mail, addressed to the last known address of such Holder as it appears upon the Register (the "Register") maintained by the Registrar, or at such other address as is furnished in writing by the Holder to the Registrar, not less than 30 days nor more than 60 days prior to redemption (except in the case of mandatory redemption upon the occurrence of a Determination of Taxability, in which case notice shall be given at least five days and not more than fifteen days prior to the date fixed for redemption). Failure to receive any such notice or any defect therein shall not affect the validity of any proceeding for the redemption of any other Bond.

Notice of the call for redemption of Bonds held under a book entry system will be sent by the Trustee only to DTC or its nominee as registered owner. Selection of book entry interests in the Bonds called, and notice of call to the Beneficial Owners, is the responsibility of DTC, Direct Participants and Indirect Participants. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and its content or effect will not affect the validity of any proceedings for the redemption of the Bonds. See "THE BONDS - Book-Entry Only System" herein.

When less than the entire unmatured portion of the Bonds are called for redemption at any time or from time to time, the selection of such Bonds or portions of Bonds in the amount of \$5,000 or any integral multiple thereof is to be made by lot in such manner as determined by the Trustee, provided that the unredeemed portion of any Bond or Beneficial Ownership Interest redeemed in part shall be \$100,000 or more. Except as provided in the preceding sentence, if less than all of an outstanding Bond held under a book entry system is to be called for redemption, the Trustee will give notice of redemption only to DTC or its nominee as registered owner. The selection of the book entry interests in that Bond to be redeemed, and notice of call to the Beneficial Owners of those interests called, is the responsibility of DTC, Direct Participants and Indirect Participants.

The Trustee is required to draw upon the Letter of Credit in amounts sufficient to pay the principal amount of the Bonds to be redeemed and any interest accrued thereon.

If any Bonds are not presented for payment at the date fixed for their redemption and the funds for such payment are available therefor, the Holders of such Bonds will thereafter be restricted exclusively to the funds available for redemption for the satisfaction of any claim relating to such Bonds. Any such funds remaining unclaimed for four years after becoming due and payable shall be paid to the Bank, unless it confirms to the Trustee that no moneys are due to the Bank under the Credit Agreement, in which case such funds shall be paid to the Borrower and the Holders of such Bonds shall thereafter be entitled to look only to the Borrower for payment and only in an amount equal to the amounts received by or paid to or on behalf of the Borrower, without any interest thereon.

Purchase of Bonds or Beneficial Interests on Demand of Holders or Beneficial Owners

While the Bonds bear interest in any Adjustable Interest Rate Mode, each Holder and each Beneficial Owner shall have the option to tender for purchase by the Trustee all of the Bonds or Beneficial Ownership Interests owned by such Holders or Beneficial Owners, or such lesser principal amount thereof (in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof, provided that the untendered portion of any Bond or Beneficial Ownership Interest shall be \$100,000 or more in principal amount) as such Holder or Beneficial Owner may specify in accordance with the terms, conditions and limitations set forth in the Indenture. The Trustee shall purchase such tendered Bonds or Beneficial Ownership Interests at their par value plus, if the Bonds bear interest in the Weekly Interest Rate Mode, interest accrued to the date of purchase. The purchase price shall be paid by the Trustee first from the proceeds of the remarketing of the Bonds or Beneficial Ownership Interests, and second from money drawn on the Letter of Credit if the proceeds of remarketing are insufficient to pay the purchase price.

Such purchase price will be paid in lawful money of the United States of America by check or draft and will be paid in full on the Bond Purchase Date.

The term “Bond Purchase Date” means any Business Day selected by the Holder or Beneficial Owner while the Bonds bear interest in the Weekly Interest Mode and if the Interest Rate Mode on the Bonds is to be converted from the Weekly Interest Rate Mode to a new Interest Rate Mode, must be a date prior to the Interest Period Reset Date with respect to that new Interest Rate Mode. While the Bonds bear interest in any other Adjustable Interest Rate Mode, the term “Bond Purchase Date” means any Interest Rate Adjustment Date. The Holders or Beneficial Owners do not have the option to tender their Bonds or Beneficial Ownership Interests for purchases after the Interest Rate Mode on the Bonds has been converted to the Fixed Interest Rate Mode.

To exercise the option to tender for purchase, the Holder or Beneficial Owner must (1) give notice to the Trustee by the time and the date set forth below in writing or by telecopy stating (i) the name and address of the Holder or Beneficial Owner, (ii) the principal amount, CUSIP number and Bond numbers of Bonds or Beneficial Ownership Interests to be purchased, (iii) that such Bonds or Beneficial Ownership Interests are to be purchased on the Bond Purchase Date pursuant to the terms of the Indenture, and (iv) that such notice is irrevocable; (2) in the case of a purchase of a Beneficial Ownership Interest, the Beneficial Owner must provide the Trustee with evidence satisfactory to the Trustee of such Beneficial Owner’s Beneficial Ownership Interest; (3) in the case of a Holder, deliver to the Trustee at its principal corporate trust office (by the time and date set forth below), the Bonds to be purchased, accompanied by fully completed and executed Instructions to Sell, the form of which is printed on the Bonds; and (4) in the case of a Beneficial Owner cause the transfer of the Beneficial Owner’s Beneficial Ownership Interest on the records of DTC as instructed by the Trustee (by the date and time set forth below). After a demand for purchase any Bonds not so delivered shall be deemed tendered. After a demand for purchase Beneficial Owners of Beneficial Ownership Interests shall be obligated to cause the transfer of such Beneficial Ownership Interests on the records of DTC in accordance with instructions of the Trustee. All references to local time mean the applicable Eastern Time. Notwithstanding the foregoing, so long as the Bonds are held in the DTC book-entry only system, the requirement of physical delivery of tendered Bonds will be deemed to be satisfied as described herein under “THE BONDS-Book-Entry Only System.”

Weekly Interest Rate Mode. To exercise the option to tender the Bonds or Beneficial Ownership Interest while the Bonds bear interest in the Weekly Interest Rate Mode, the Holder or Beneficial Owner must (1) give the notice no earlier than the fifteenth day and no later than the seventh day prior to the Bond Purchase Date (2) in the case of a Holder deliver the Bonds no later than 10:00 a.m. Eastern Time on the second Business Day preceding the Bond Purchase Date and (3) in the case of a Beneficial Owner, cause the transfer of the Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Eastern Time on the Bond Purchase Date. In the case of a Bond or Beneficial Ownership Interest or portion thereof to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, the Holder or Beneficial Owner shall deliver a due-bill check, in form satisfactory to the Trustee, for interest due on such Interest Payment Date.

One Month Interest Rate Mode. To exercise the option to tender the Bonds or Beneficial Ownership Interest while the Bonds bear interest in the One Month Interest Rate Mode the Holder or Beneficial Owner must (1) give the notice to the Trustee no earlier than fifteen days prior to the Bond Purchase Date and no later than 11:00 a.m. Eastern Time on the fifth Business Day prior to the Bond Purchase Date, (2) in the case of a Holder deliver the Bonds no later than 10:00 a.m. Eastern Time on the fourth day prior to the Bond Purchase Date or the next preceding Business Day if such fourth day is not a Business Day, and (3) in the case of a Beneficial Owner, cause the Direct Participant to transfer the Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Eastern Time on the Bond Purchase Date.

Other Adjustable Interest Rate Modes. To exercise the option to tender Bonds or Beneficial Ownership Interests while the Bonds bear interest in any Adjustable Interest Rate Mode other than the One Month Interest Rate Mode or the Weekly Interest Rate Mode, the Holder or Beneficial Owner must (1) give the notice to the Trustee no earlier than fifteen days prior to the Bond Purchase Date and no later than 11:00 a.m. Eastern Time on the eighth Business Day prior to the Bond Purchase Date, (2) in the case of a Holder deliver the Bonds no later than 10:00 a.m. Eastern Time on the seventh day prior to the Bond Purchase Date or the next preceding Business Day if such seventh day is not a Business Day, and (3) in the case of a Beneficial Owner, cause the transfer of the Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Eastern Time on the Bond Purchase Date.

If less than all of a Bond so delivered is to be purchased, the Trustee will authenticate one or more Bonds, registered in the name of such Holder, having the aggregate principal amount being retained by such Holder, and will deliver such authenticated Bond or Bonds to such Holder.

The tender options granted to the Holders and the Beneficial Owners and all mandatory Bond tenders are subject to the additional condition that any tendered Bonds or Beneficial Ownership Interests (or the applicable portions thereof) will not be purchased if such Bonds (or applicable portions thereof) mature or are redeemed on or prior to the applicable Bond Purchase Date.

So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of the Bonds for all purposes under the Indenture, provided however that the Trustee will recognize Beneficial Owners for purposes of the purchase of Beneficial Ownership Interests. (See “THE BONDS - Book-Entry Only System” herein.) Each Beneficial Owner is responsible for observing the procedures of DTC, the Direct Participant, any Indirect Participant and the Trustee, as set forth in the Indenture, in order to permit the timely observance of the tender process with respect to Beneficial Ownership Interests.

Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Conversion Between Modes

Upon any conversion of the Bonds from one Interest Rate Mode to another, the Bonds and Beneficial Ownership Interests shall be subject to mandatory purchase on the Interest Period Reset Date with respect to the new Interest Rate Mode.

The Borrower is required to give notice to the Trustee and Remarketing Agent of its election to convert the Bonds to a new Interest Rate Mode at least 45 days prior to the Interest Period Reset Date for the new Interest Rate Mode. The Trustee is required to notify Holders of all outstanding Bonds of such conversion to a different Interest Rate Mode at least 30 days before the Interest Period Reset Date. Unless the new Interest Rate Mode is a Weekly Interest Rate Mode or the One Month Interest Rate Mode, the Remarketing Agent will determine the interest rate for the first Interest Rate Period for the new Interest Rate Mode on the Interest Rate Determination Date, which will be the tenth Business Day before the Interest Period Reset Date for the new Interest Rate Mode. If the new Interest Rate Mode is the Weekly Interest Rate Mode, the Remarketing Agent will determine the first Weekly Interest Rate on the Interest Rate Determination Date for the Weekly Interest Rate Mode, which will be 2:00 p.m. Eastern Time of the Trustee on the Business Day preceding the Interest Period Reset Date. If the new Interest Rate Mode is the One Month Interest Rate Mode, the Interest Rate Determination Date will be the seventh Business Day before the Interest Period Reset Date. A Holder or Beneficial Owner may elect to waive and not be subject to the mandatory purchase and to retain its Bonds or Beneficial Ownership Interests by delivering notice to the Trustee of such election not later than 11:00 a.m., Eastern Time, on the eighth Business Day prior to the Interest Period Reset Date for the new Interest Rate Mode, unless the Interest Rate Mode is to be converted to the One Month Interest Rate Mode, in which case the notice to the Trustee must be delivered not later than 11:00 a.m. Eastern Time on the fifth Business Day prior to the Interest Period Reset Date. Such notice must state that (a) such Holder or Beneficial Owner realizes that the Bonds are being converted to a different Interest Rate Mode, (b) unless the Interest Rate Mode on the Bonds is being converted to the Weekly Interest Rate Mode, such Holder or Beneficial Owner realizes that the next Bond Purchase Date upon which the Bonds or Beneficial Ownership Interests may be optionally tendered for purchase is the next Interest Rate Adjustment Date or, if such Bonds are being converted to the Fixed Interest Rate, that such Bonds or Beneficial Ownership Interests may no longer be tendered for purchase, (c) such Holder or Beneficial Owner realizes that any securities rating on the Bonds may be withdrawn or lowered, and (d) such Holder or Beneficial Owner affirmatively elects to waive and not be subject to the mandatory tender and to retain its Bonds or Beneficial Ownership Interests and receive interest at the applicable Interest Rate Mode. A Holder or Beneficial Owner may be advised of the interest rate for the first Interest Rate Period for the new Interest Rate Mode by calling the Trustee (317) 756-1302 or the Remarketing Agent (614) 527-2313 on the Interest Rate Determination Date or thereafter.

Bonds or Beneficial Ownership Interests with respect to which the Trustee shall not have received the election required by the preceding paragraph shall be deemed to have been tendered without further action by the Holders or Beneficial Owners thereof and subject to the right of the Holders or Beneficial Owners of such Bonds or Beneficial Ownership Interests to receive the purchase price of such Bonds or Beneficial Ownership Interests and interest accrued thereto to the Interest Period Reset Date, such Bonds or Beneficial Ownership Interests shall be null and

void and the Trustee shall authenticate and deliver new Bonds, or new Beneficial Ownership Interests shall be created, in replacement thereof pursuant to the remarketing of such Bonds or Beneficial Ownership Interests or the pledge of such Bonds or Beneficial Ownership Interests to the Bank in lieu of remarketing such Bonds or Beneficial Ownership Interests.

So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of the Bonds for all purposes under the Indenture, provided however that the Trustee will recognize a Beneficial Owner with respect to waivers of the purchase of Beneficial Ownership Interests. (See “THE BONDS - Book-Entry only System” herein.) Each Beneficial Owner is responsible for observing the procedures applicable to DTC, the Direct Participant, any Indirect Participant and the Trustee, as set forth in the Indenture, in order to permit the timely observance of the mandatory tender waiver process with respect to Beneficial Ownership Interests.

Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit

If the Borrower provides for the delivery to the Trustee of an Alternate Letter of Credit (as hereinafter defined), then on any Interest Payment Date selected by the Borrower (which must be at least two Business Days prior to the Termination Date of the Letter of Credit being replaced), which Interest Payment Date shall be the same date as the Replacement Date (as hereinafter defined) (a “Bond Purchase Date”), the Bonds and Beneficial Ownership Interests shall be subject to mandatory tender for purchase from the Holders and Beneficial Owners thereof.

Prior to such Bond Purchase Date, the Trustee shall, if the Bonds are then rated by a Rating Service (as hereinafter defined) give notice to each Rating Service which then has a rating on the Bonds of the provision of the Alternate Letter of Credit. At least 30 days prior to the Bond Purchase Date the Trustee shall provide written notice to the Holders of all outstanding Bonds, by first class mail to all Holders, that an Alternate Letter of Credit is to be delivered by the Borrower to the Trustee. Such notice shall advise the Holders of the Bond Purchase Date, that the requirements of the Indenture and the Bonds relating to Alternate Letters of Credit have been met, the name of the financial institution issuing the Alternate Letter of Credit, the rating, if any, on the Bonds upon the provision of the Alternate Letter of Credit and that all Bonds and Beneficial Ownership Interests shall be subject to mandatory purchase from the Holders and Beneficial Owners thereof, subject to the right of each Holder or Beneficial Owner to affirmatively elect to waive and not be subject to the mandatory tender for purchase and to retain its Bonds or Beneficial Ownership Interests. (See “THE LETTER OF CREDIT -- Alternate Letter of Credit” herein.)

Any Holder or Beneficial Owner may elect to waive and not be subject to the mandatory tender and to retain its Bonds or Beneficial Ownership Interests by delivering to the Trustee a written notice no later than 11:00 a.m. Eastern Time on the eighth Business Day prior to such Bond Purchase Date which written notice shall state that (a) such Holder or Beneficial Owner has received notice of and realizes that the Borrower is delivering an Alternate Letter of Credit to the Trustee pursuant to the Indenture, (b) unless the Interest Rate Mode on the Bonds is the

Weekly Interest Rate, such Holder or Beneficial Owner realizes that the next Bond Purchase Date upon which the Bonds or Beneficial Ownership Interests may be optionally tendered for purchase is the next Interest Rate Adjustment Date, (c) such Holder or Beneficial Owner realizes that any securities rating on the Bonds may be withdrawn or lowered, and (d) such Holder or Beneficial Owner affirmatively elects to waive and not be subject to the mandatory tender and to retain its Bonds or Beneficial Ownership Interests.

Bonds or Beneficial Ownership Interests with respect to which the Trustee shall not have received the election required by the preceding paragraph shall be deemed to have been tendered without further action by the Holders or Beneficial Owners thereof and subject to the right of the Holders or Beneficial Owners of such Bonds and Beneficial Ownership Interests to receive the purchase price of such Bonds and Beneficial Ownership Interests and interest accrued thereto to the Bond Purchase Date, such Bonds or Beneficial Ownership Interests shall be null and void and the Trustee shall authenticate and deliver new Bonds, or new Beneficial Ownership Interests shall be created, in replacement thereof pursuant to the remarketing of such Bonds or Beneficial Ownership Interests or the pledge of such Bonds or Beneficial Ownership Interests to the Bank in lieu of remarketing such Bonds or Beneficial Ownership Interests.

So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of the Bonds for all purposes under the Indenture, provided however that the Trustee will recognize a Beneficial Owner with respect to waivers of the purchase of Beneficial Ownership Interests. (See “THE BONDS - Book-Entry Only System” herein.) Each Beneficial Owner is responsible for observing the procedures applicable to DTC, the Direct Participant, any Indirect Participant and the Trustee, as set forth in the Indenture, in order to permit the timely observance of the mandatory tender waiver process with respect to Beneficial Ownership Interests.

Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Expiration of the Letter of Credit or Alternate Letter of Credit

The Bonds and Beneficial Ownership Interests shall be subject to mandatory tender for purchase on the Interest Payment Date which next precedes the Termination Date of the Letter of Credit by at least two Business Days, or the Interest Payment Date which next precedes the expiration date of any Alternate Letter of Credit by at least two Business Days (a “Mandatory Bond Purchase Date”) unless, at least 45 days prior to such Mandatory Bond Purchase Date, the Bank shall have provided to the Trustee written evidence of an extension of the expiration date of the Letter of Credit to a date not earlier than one year from the Termination Date of the Letter of Credit being extended. The mandatory tender for purchase of Bonds or Beneficial Ownership Interests on a Mandatory Bond Purchase Date may not be waived by the Holders or Beneficial Owners thereof, and the Holders or Beneficial Owners have no right to elect to retain their Bonds or Beneficial Ownership Interests.

At least 30 days but no more than 45 days prior to a Mandatory Bond Purchase Date, the Trustee shall notify the Holders of all outstanding Bonds by first class mail to all Holders of the Termination Date of the Letter of Credit or the expiration date of any Alternate Letter of Credit. The notice shall advise the Holders that all Bonds and Beneficial Ownership Interests shall be

subject to mandatory tender on the Mandatory Bond Purchase Date, that the mandatory tender of Bonds or Beneficial Ownership Interests on the Mandatory Bond Purchase Date may not be waived by the Holders or Beneficial Owners, and that the Holders or Beneficial Owners have no right to elect to retain their Bonds or Beneficial Ownership Interests.

Bonds or Beneficial Ownership Interests not tendered for purchase as required by the preceding paragraph shall be deemed to have been tendered without further action by the Holders or Beneficial Owners thereof, subject to the right of the Holders or Beneficial Owners of such Bonds or Beneficial Ownership Interests to receive the purchase price of such Bonds or Beneficial Ownership Interests and interest accrued thereto to the Mandatory Bond Purchase Date.

So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of the Bonds for all purposes under the Indenture. (See “THE BONDS - Book-Entry Only System” herein.)

Remarketing of Bonds or Beneficial Ownership Interests

Whenever Bonds or Beneficial Ownership Interests are tendered for purchase by the Holders or Beneficial Owners thereof, either by optional tender or mandatory tender (other than a mandatory tender pursuant to the expiration of the Letter of Credit or any Alternate Letter of Credit), as described above, the Remarketing Agent will use its best efforts to remarket such Bonds or Beneficial Ownership Interests. If Bonds or Beneficial Ownership Interests tendered for purchase are not remarketed by the Remarketing Agent, the Trustee shall draw on the Letter of Credit to pay the purchase price of such Bonds or Beneficial Ownership Interests and such Bonds or Beneficial Ownership Interests will be delivered to the Bank or, at the direction of the Bank, held by the Trustee for the benefit of the Bank. Any due-bill checks delivered to the Trustee pursuant to a tender of Bonds or Beneficial Ownership Interests shall be delivered to the Holder or Beneficial Owner to whom such Bonds or Beneficial Ownership Interests have been remarketed, or to the Bank if the purchase price for the Bonds or Beneficial Ownership Interests has been paid pursuant to a draw on the Letter of Credit.

Bonds or Beneficial Ownership Interests tendered for purchase upon the expiration of the Letter of Credit or any Alternate Letter of Credit shall be delivered to the Bank or, at the direction of the Bank, held by the Trustee for the benefit of the Bank. Such Bonds or Beneficial Ownership Interests shall not be remarketed prior to the Borrower’s delivery of a Letter of Credit which satisfies the terms of the Indenture with respect to the delivery of an Alternate Letter of Credit (as hereinafter defined) (See “THE LETTER OF CREDIT -- Alternate Letter of Credit” herein.)

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds will constitute special limited obligations of the Issuer payable solely from, and secured by, the revenues pledged and assigned by the Indenture to secure that payment. Those revenues include the loan payments required to be made by the Borrower under the Loan Agreement and the Note; all other moneys received by the Issuer or the Trustee for the account

of the Issuer in respect of repayment of the Bonds; all moneys and investments in the Project Fund (as defined in the Indenture and hereinafter described); all moneys and investments in the Bond Fund (as defined in the Indenture and hereinafter described), including money received by the Trustee from draws on the Letter of Credit; and the income and profit from the investment of those moneys (collectively, the “Revenues”).

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM REVENUES DERIVED FROM THE LOAN AGREEMENT, FROM AMOUNTS DRAWN UNDER THE LETTER OF CREDIT OR ANY ALTERNATE LETTER OF CREDIT, AND FROM REVENUES PLEDGED UNDER THE INDENTURE. THESE BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT, A LIABILITY OR A GENERAL OR MORAL OBLIGATION OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF INDIANA OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF OR GRANT TO THE OWNERS THEREOF ANY RIGHT TO HAVE THE ISSUER OR THE INDIANA GENERAL ASSEMBLY OR ANY POLITICAL SUBDIVISION OF THE STATE OF INDIANA LEVY ANY TAXES OR APPROPRIATE ANY FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER.

The principal of and interest on the Bonds will be payable from the proceeds of draws under the Letter of Credit. The Borrower’s obligation to reimburse the Bank for such draws will be provided for in the Credit Agreement.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Bank and are not being offered on the basis of the financial strength of the Issuer, the Borrower or any other security. This Official Statement does not describe the financial condition of the Borrower. The Bonds are subject to acceleration of maturity upon the occurrence of a default by the Borrower under the Credit Agreement but such defaults are not fully described herein. As a result of the foregoing, prospective investors will not be able to evaluate the likelihood of a default by the Borrower under the Credit Agreement and resulting acceleration of the Bonds.

Enforceability of the provisions of the Bonds, the Loan Agreement, the Letter of Credit and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws in effect from time to time affecting creditors’ rights, and to the exercise of judicial discretion in accordance with general principles of equity.

IN THE EVENT OF A DEFAULT BY THE BANK UNDER THE LETTER OF CREDIT, NO INSURANCE PROCEEDS FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, INSTRUMENTALITY OR AUTHORITY WOULD BE AVAILABLE TO PAY BONDHOLDERS.

RISKS TO BONDHOLDERS

In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risks factors in connection with investment in the Bonds.

1. The principal of (but not redemption premium) and up to forty-five (45) days' accrued interest on the Bonds are secured by the Letter of Credit. The Letter of Credit expires on April 1, 2008, subject to extension as provided therein, which is prior to the final maturity of the Bonds, and unless at least 45 days prior to such expiration date the Letter of Credit is renewed, replaced or extended, the Bonds are subject to mandatory tender for purchase on the Interest Payment Date next preceding April 1, 2008 by at least two Business Days, or are subject to mandatory tender on the Interest Payment Date next preceding any later expiration date of the Letter of Credit by at least two Business Days, or the Interest Payment Date next preceding the expiration date of any Alternate Letter of Credit by at least two Business Days, at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest to the Mandatory Bond Purchase Date. The mandatory purchase of Bonds or Beneficial Ownership Interests on a Mandatory Bond Purchase Date may not be waived and there is no right to elect to retain. See "THE BONDS -- Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Expiration of the Letter of Credit or Alternate Letter of Credit" and "THE LETTER OF CREDIT" herein.

2. Upon the occurrence of certain events, including, but not limited to (a) default by the Borrower of its obligations under the Bonds, the Loan Agreement or the Credit Agreement and (b) damage to or condemnation of all or a part of the Project, the Bonds may be subject to prepayment in whole or in part at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest. See "THE LOAN AGREEMENT," "THE CREDIT AGREEMENT" and "THE BONDS -- Optional Redemption" herein.

3. Upon the occurrence of a Determination of Taxability (as defined herein), the Bonds are subject to redemption in whole at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest. See "THE BONDS -- Mandatory Redemption" herein.

4. The Bonds and Beneficial Ownership Interests are subject to mandatory purchase upon the conversion of the Interest Rate Mode on the Bonds to a different Interest Rate Mode and are subject to mandatory purchase upon the delivery of an Alternate Letter of Credit (as hereinafter defined), at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. See "THE BONDS -- Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Conversion Between Modes" and "THE BONDS -- Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit."

5. The primary security for the Bonds is intended to be the Letter of Credit delivered by the Bank to the Trustee. As a consequence, no financial information in respect of the creditworthiness of the Borrower is included herein. Reference is hereby made to the Appendix A hereto which contains certain financial information regarding the Bank. It is possible, in the event of the insolvency of the Bank, or the occurrence of some other event

precluding the Bank from honoring its obligation to make payments as stated in the Letter of Credit, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower would be sufficient to pay the principal, premium, if any, and interest on the Bonds in the event the Trustee were forced to seek recourse against the Borrower.

6. Enforcement of remedies provided in the Indenture with respect to payments to be made by the Bank under the Letter of Credit may be limited by insolvency, bankruptcy or other laws relating to creditors' rights generally. The security provided by the Letter of Credit for payment of the principal of and interest on the Bonds, or the purchase price of the Bonds or Beneficial Ownership Interests, may be impaired in the event of a deterioration of the financial condition of the Bank, as the Letter of Credit represents a general claim against the assets of the Bank.

7. Performance by the Bank of its obligations under the Letter of Credit is subject to the satisfaction of certain conditions by the Trustee, as set forth in the Letter of Credit. Bondholders are thus dependent upon the Trustee acting to satisfy such conditions before they will receive the benefit of the Letter of Credit. Furthermore, the question of whether the Trustee has properly satisfied such conditions is a question of fact which, if disputed, could delay or defeat the Trustee's rights of enforcement of the Letter of Credit.

8. The United States Bankruptcy Code generally stays the enforcement of claims against the estate of a bankrupt once a petition in bankruptcy is filed. The Bank is required under the Letter of Credit to pay amounts sufficient to pay the principal of and up to forty-five (45) days' interest on the Bonds in the event of the bankruptcy of the Borrower. However, it is possible in the event of a bankruptcy of the Borrower that a bankruptcy court could enjoin payments under the Letter of Credit.

9. Bond Counsel will opine that interest on the Bonds will not be includable in the gross income of the Holders thereof for federal income tax purposes. However, Bond Counsel's opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes and is conditioned on continuing compliance by the Issuer and the Borrower with representations and covenants contained in certain certificates with respect to arbitrage and other tax matters to be delivered at closing. Failure to comply with the representations and covenants made in those certificates could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue. The Indenture does not provide for the payment of any additional interest or penalty in the event of the taxability of the interest on the Bonds. However, in such event the Bonds are subject to mandatory redemption in whole as described herein. See "THE BONDS -- Redemption Prior to Maturity." Furthermore, certain categories of Bondholders may be subject to taxation as discussed under "TAX MATTERS" herein.

10. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana, of the United States of America and other governmental authorities, including police powers exercised for the benefit of the public health and welfare, and by bankruptcy, reorganization, insolvency or other

similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

11. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

12. The Internal Revenue Service (“IRS”) has determined that the Borrower is an organization described in Section 501(c)(3) of the Code and therefore is exempt from federal income taxation. As a charitable organization, it is subject to a number of requirements affecting its operations. The failure of the Borrower to remain qualified as a tax-exempt organization, as well as failure to comply with certain legal requirements (see “TAX MATTERS”), could cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Indenture does not provide for the payment of any additional interest or penalty in the event of the taxability of the interest on the Bonds. However, in such event the Bonds are subject to mandatory redemption in whole as described herein. See “THE BONDS -- Redemption Prior to Maturity.”

13. The remedies available upon a default under the Indenture, the Loan Agreement or the Credit Agreement will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code and state laws concerning the use of assets of charitable organizations, the remedies specified in the Indenture, the Loan Agreement and the Credit Agreement may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Bonds will be expressly subject to the qualification that the enforceability of the Indenture, the Loan Agreement, the Credit Agreement and other legal documents is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

14. The Underwriter may engage in secondary market transactions with respect to the Bonds but they are under no obligation to do so. There is no assurance that a secondary market for the Bonds will develop or that owners who wish to sell their Bonds will be able to do so.

15. The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price and the market for the Bonds.

THE LETTER OF CREDIT

The following summarizes certain provisions of the Letter of Credit issued by the Bank. Reference is made to the Letter of Credit for the detailed provisions thereof. The Letter of Credit will be held by the Trustee.

The Initial Letter of Credit

The Letter of Credit is an irrevocable obligation of the Bank to pay to the Trustee up to the total of the following amounts (the “Stated Amount”), upon the terms and conditions set forth in the Letter of Credit: (a) the outstanding principal amount of the Bonds (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, upon redemption or acceleration and (ii) to enable the Trustee to pay the portion of the purchase price of Bonds or Beneficial Ownership Interests tendered to it and equal to the principal amount of such tendered Bonds or Beneficial Ownership Interests, plus (b) an amount equal to interest to accrue at 10% per annum (the “Maximum Interest Rate”) on the outstanding Bonds for 45 days (i) to enable the Trustee to pay the interest on the Bonds when due and (ii) to enable the Trustee to pay the portion, if any, of the purchase price of Bonds or Beneficial Ownership Interests tendered to it equal to the accrued interest on such Bonds or Beneficial Ownership Interests (such accrued interest is payable only when Bonds bear interest in the Weekly Interest Rate Mode). THE LETTER OF CREDIT DOES NOT SECURE THE PAYMENT OF ANY PREMIUMS ON THE BONDS.

Pursuant to the Indenture, the Trustee is required to draw upon the Letter of Credit in the following circumstances:

- (a) to make timely payment of the principal of and interest on the Bonds;
- (b) to make timely payment of the redemption price (excluding any premium) of Bonds called for mandatory or optional redemption; and
- (c) to make timely payment of the purchase price of Bonds or Beneficial Ownership Interests required to be purchased, as the result of an optional or mandatory tender, pursuant to the provisions of the Indenture, but only to the extent of a shortfall in remarketing proceeds.

The Letter of Credit will terminate upon the earliest to occur of the Bank’s close of business on the following (the “Termination Date”): (i) April 1, 2008, or such later date to which the stated expiration date has been extended in accordance with the terms of the Letter of Credit; (ii) the Bank’s receipt of a certificate stating that (a) no Bonds are outstanding under the Indenture, (b) the Trustee has made and the Bank has honored the final drawing available to be made thereunder, or (c) the Letter of Credit has been replaced by an Alternate Letter of Credit (as herein defined); (iii) the date on which an acceleration drawing is honored by the Bank; or (iv) fifteen (15) days following receipt by the Trustee of written notice from the Bank that an Event of Default has occurred under the Credit Agreement.

The Stated Amount of the Letter of Credit and the amounts available to be drawn to pay principal of Bonds or to pay the principal portion of the purchase price for any Bonds or Beneficial Ownership Interests will be reduced automatically without notice by amounts drawn under the Letter of Credit for the payment of principal when due on Bonds or to pay the principal portion of the purchase price of any Bonds or Beneficial Ownership Interests. The Stated Amount will be reinstated with respect to a drawing for the principal portion of the purchase price of Bonds and Beneficial Ownership Interests upon the receipt by the Bank of remarketing

proceeds with respect to such Bonds or Beneficial Ownership Interests, or of Bonds or Beneficial Ownership Interests tendered and not remarketed by the Remarketing Agent. The Stated Amount and the amounts available to be drawn for the payment of interest will be reduced automatically, without notice, by the amount of any drawn the Letter of Credit for the payment of interest. Such amount with respect to interest will be reinstated in an amount sufficient to provide total interest coverage equal to 45 days' interest at the Maximum Interest Rate on the then outstanding principal amount of the Bonds in full at the end of five Business Days after the date of such reduction, unless prior thereto the Bank sends written notice to the Trustee stating that the Stated Amount will not be reinstated in respect of such interest; provided that such reinstatement of interest coverage will occur immediately in the case of any drawing for the interest portion of the purchase price of any Bonds and Beneficial Ownership Interests.

Alternate Letters of Credit

The Borrower at its option may cause to be delivered to the Trustee, as a replacement for the Letter of Credit, an Alternate Letter of Credit ("Alternate Letter of Credit"). Any such Alternate Letter of Credit must be issued by a bank, a trust company or other financial institution, must be the same in all material respects as the Letter of Credit, and must have an expiration date which is no earlier than one year from the Termination Date of the Letter of Credit being replaced, or if the Bonds bear interest at the Fixed Interest Rate, fifteen (15) days after the First Optional Redemption Date (See "THE BONDS - Conversion Between Interest Rate Modes" herein), and must have an effective date (the "Replacement Date") as set forth below.

If the Bonds are bearing interest at the Weekly Interest Rate or the Fixed Interest Rate, the Replacement Date may be any Interest Payment Date selected by the Borrower which is at least two Business Days prior to the Termination Date of the Letter of Credit being replaced; provided, however, that the Replacement Date selected by the Borrower shall permit the Trustee to comply with the notice and mandatory tender provisions applicable to the Bonds. (See "THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit" herein.) If the Bonds are bearing or will bear interest at the One Month Interest Rate, Three Month Interest Rate, Six Month Interest Rate, One Year Interest Rate or Five Year Interest Rate, the Replacement Date shall be any Interest Rate Adjustment Date selected by the Borrower which is at least two Business Days prior to the Termination Date of the Letter of Credit being replaced (or the Fixed Interest Rate Commencement Date if the Bonds are to bear interest at the Fixed Interest Rate); provided, however, that the Replacement Date selected by the Borrower shall permit the Trustee to comply with the notice and mandatory tender provisions applicable to the Bonds. (See "THE BONDS - Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit" herein.) Prior to the replacement of a Letter of Credit with an Alternate Letter of Credit, the Trustee shall give notice to the Holders pursuant to the mandatory provisions of the Indenture and, if the Bonds are then rated by a Rating Service shall give notice prior to the Replacement Date of the provision of the Alternate Letter of Credit to each Rating Service which then has a rating on the Bonds, and the Trustee shall have received the following not less than forty-five (45) days prior to the Replacement Date: (A) an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; (B) an opinion of counsel acceptable to the Trustee to

the effect that payments under the Alternate Letter of Credit will not constitute voidable preferences in the event of a bankruptcy of the Borrower; (C) an opinion of Bond Counsel that such replacement will not cause interest on the Bonds to become includable in gross income for federal income tax purposes; and (D) the Alternate Letter of Credit.

Each of the terms “Rating Service” and “Rating Agency” as used herein means either Moody’s Investors Service, Inc., and its successors and assigns, or Standard & Poor’s Ratings Group, and its successors and assigns.

THE CREDIT AGREEMENT

The following summarizes certain provisions of the Credit Agreement between the Borrower and the Bank pursuant to which the Letter of Credit is issued. Reference is hereby made to the Credit Agreement for the detailed provisions thereof.

Issuance of Letter of Credit and Reimbursement

Under the Credit Agreement, the Bank will agree to issue its Letter of Credit to the Trustee concurrently with the issuance and delivery of the Bonds. The issuance of the Letter of Credit is subject to the satisfaction of certain conditions set forth in the Credit Agreement, including the receipt by the Bank of various certifications or documents from the Borrower, the Issuer and the Trustee, among other parties, and the delivery of certain legal opinions.

Under the Credit Agreement, the Borrower will agree to pay to the Bank all amounts that are drawn under the Letter of Credit, together with interest, if any, on such amounts at the rate or rates specified in the Credit Agreement.

Fees and Expenses

Under the Credit Agreement, the Borrower will agree to pay to the Bank for the issuance of the Letter of Credit certain fees, and to pay all reasonable charges and expenses of the Bank incurred relative to the issuance, transfer, drawing upon or other actions with respect to the Letter of Credit or under the Credit Agreement.

Optional Redemption of Bonds

The Borrower will agree in the Credit Agreement to cause Bonds to be redeemed annually at the times and in the amounts set forth in the Credit Agreement. This provision of the Credit Agreement may be amended at any time as outlined under “Amendment” below.

Certain Covenants of the Borrower

The Credit Agreement requires the Borrower to comply with various financial and other covenants. **No assurance can be given as to the ability of the Borrower to comply with such covenants. Failure to so comply could, at the option of the Bank, result in acceleration of the maturity of the Bonds.**

Events of Default and Remedies

The Credit Agreement specifies numerous Events of Default, including failure by the Borrower to timely pay amounts payable to the Bank thereunder or to comply with other covenants or conditions of the Credit Agreement, including any breach of representations or warranties, or the occurrence of certain acts of insolvency or bankruptcy, or the occurrence of a default under any of certain other agreements relating to the issuance of the Bonds.

If an Event of Default under the Credit Agreement has occurred and is subsisting, the Bank may direct the Trustee to accelerate the Bonds under the Indenture and take any other remedial action available to it.

Amendment

The Credit Agreement, including the redemption requirements therein, may be amended by the Borrower and the Bank without the consent of the Issuer, the Holders or the Trustee.

THE LOAN AGREEMENT

The following summarizes certain provisions of the Loan Agreement between the Issuer and the Borrower. Reference is hereby made to the Loan Agreement for the detailed provisions thereof.

Issuance of the Bonds and Use of Bond Proceeds

Under the Loan Agreement, the Issuer agrees to issue the Bonds and to loan the proceeds thereof to the Borrower. Such proceeds will be deposited in the Project Fund and used (together with other available funds) to pay costs of issuance of the Bonds, costs of credit enhancement, and to finance all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of the Project. (See “THE PROJECT AND USE OF BOND PROCEEDS” herein.)

Payments by the Borrower

The Borrower agrees to make payments corresponding, as to amount, to debt service payments on the Bonds and agrees to make such payments at the times required by the Loan Agreement and the Note delivered to the Trustee in connection with issuance of the Bonds. The Borrower’s obligation to make such payments will be absolute and unconditional.

Prepayment under the Loan Agreement

Optional Prepayment. The Borrower is given options in the Loan Agreement to prepay the amounts payable thereunder. Such prepayment options correspond to the optional redemption provisions applicable to the Bonds (see “THE BONDS - Redemption Prior to Maturity - Optional Redemption” herein).

Mandatory Prepayment. The Borrower is obligated under the Loan Agreement to prepay the amounts payable thereunder in full upon the occurrence of certain conditions. Such prepayment obligations correspond to the mandatory redemption provisions applicable to the Bonds in such cases (see “THE BONDS - Redemption Prior to Maturity - Mandatory Redemption” herein).

Tax-Exempt Status of Bonds

The Borrower makes various representations, warranties and covenants designed to ensure that interest on the Bonds will be and remain excluded from the gross income of the Holders for federal income tax purposes.

Events of Default

The Loan Agreement provides that each of the following shall be an “Event of Default”:

- (a) The Borrower shall fail to pay when due any Loan Payment;
- (b) Any representation or warranty by the Borrower contained in the Loan Agreement or in any certificate or instrument delivered by the Borrower pursuant to the Loan Agreement or in connection with the issuance of the Bonds is false or misleading in any material respect;
- (c) The Borrower shall fail to observe and perform any agreement, term or condition contained in the Loan Agreement, and the continuation of such failure for a period of 30 days after notice thereof shall have been given to the Borrower by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion;
- (d) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property;
- (e) There shall occur an “Event of Default” as defined in the Indenture.

Notwithstanding the foregoing, if, by reason of Force Majeure (defined in the Loan Agreement to include various events, causes and circumstances beyond the control of the Borrower), the Borrower is unable to perform or observe any agreement, term or condition which would give rise to an Event of Default under paragraph (c) above (other than the payment of moneys), the Borrower shall not be deemed in default during the continuance of such inability.

However, the Borrower shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within the Borrower's discretion.

The provisions of paragraph (d) above are subject to the condition that the declaration of an Event of Default due to any of the facts or circumstances specified therein, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of the United States Bankruptcy Code affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Remedies

If any Event of Default occurs and continues, and if and only if the payment of the Bonds is accelerated pursuant to the Indenture, the Trustee shall declare all payments payable by the Borrower under the Loan Agreement and the Note to be immediately due and payable. The Trustee may also exercise any remedies provided in the Indenture or pursue any remedies at law or in equity to collect all amounts due and thereafter to become due under the Loan Agreement, the Letter of Credit or the Note, or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Amendments, Changes and Modifications of the Loan Agreement, the Note or the Letter of Credit

The Loan Agreement, the Note or the Letter of Credit may only be amended as permitted by the Indenture. As provided in the Indenture, without the consent of or notice to the Holders of Bonds, but with the written consent of the Bank, the Loan Agreement, the Note or the Letter of Credit may be amended, changed or modified as may be required (i) by the provisions of the Loan Agreement, the Note, the Letter of Credit, the Credit Agreement or the Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement, the Note, the Letter of Credit or the Indenture, (iii) in connection with an amendment or to effect any purposes for which there could be an amendment of the Indenture without Holder consent, or (iv) in connection with any other change therein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Holders of any Bonds then outstanding. Except for such amendments, changes or modifications, neither the Issuer nor the Trustee will consent to (i) any amendment, change or modification of the Loan Agreement, the Note, or the Letter of Credit which would change the amounts or times of payments to be made by the Borrower under the Loan Agreement or the Note or drawings to be paid under the Letter of Credit without the giving of notice as provided in the Indenture and the written approval or consent thereto of the Bank and the Holders of all Bonds then outstanding or (ii) any other amendment, change or modification of the Loan Agreement, the Note or the Letter of Credit, without the giving of notice as provided in the Indenture and the written approval or consent thereto of the Bank and of the Holders of not less than a majority in aggregate principal amount of all Bonds then outstanding affected by such amendment, change or modification.

THE INDENTURE

The following, in addition to the information provided under “THE BONDS,” summarizes certain provisions of the Indenture between the Issuer and the Trustee. Reference is made to the Indenture for the detailed provisions thereof.

Assignment and Security

In the Indenture, the Issuer will assign to the Trustee its right, title and interest in and to the Loan Agreement (excluding the rights of the Issuer with respect to certain fees, expenses, reimbursement, indemnity and consent provisions), and in the Revenues and in the Note.

Application of Project Fund

All moneys received upon the sale of the Bonds will be deposited in the Project Fund created by the Indenture and disbursed from the Project Fund, in accordance with the provisions of the Loan Agreement, to pay costs of issuance of the Bonds, costs of credit enhancement, and to finance all or a portion of the costs of the acquisition, construction, expansion, renovation and equipping of the Project.

Revenues and Bond Fund

Any amounts which are to be applied to the payment of Bond Service Charges on the Bonds, including all Revenues and all moneys received upon drawings for such purpose made under the Letter of Credit, will be deposited in the Bond Fund created by the Indenture and maintained with the Trustee. Moneys in the Bond Fund are to be used for the payment of Bond Service Charges on the Bonds and for redemption of Bonds prior to maturity in the following order:

1. Amounts drawn by the Trustee under the Letter of Credit (provided that no amount drawn on the Letter of Credit may be used to pay any premium on the Bonds);
2. Any Eligible Funds on deposit in the Bond Fund; and
3. Any other amounts available in the Bond Fund.

“Eligible Funds” means (i) with respect to funds used to pay principal and interest on the Bonds, amounts on deposit in the Bond Fund (other than funds derived from a draw on the Letter of Credit) for a period of 123 consecutive days during which there shall not have occurred the filing of a voluntary or involuntary petition in bankruptcy under the United States Bankruptcy Code, or proceeding under any other applicable laws concerning insolvency, reorganization or bankruptcy, by or against the Borrower or the Issuer and (ii) with respect to funds used to pay premium on Bonds, any amount on deposit in the Bond Fund.

Amounts remaining in the Bond Fund after payment or provision for payment of all Bond Service Charges are to be paid to the Bank or, if no amounts are then due under the Credit Agreement, to the Borrower.

Remarketing Reimbursement Fund

The Indenture creates the Remarketing Reimbursement Fund, to be held by the Trustee and administered in accordance with the terms of the Indenture for the deposit of amounts derived from the remarketing of Bonds or Beneficial Ownership Interests or from the payment of the purchase price of Bonds or Beneficial Ownership Interests by the Bank under the Letter of Credit. While the Bonds are Outstanding, moneys in the Remarketing Reimbursement Fund will be used solely for the payment of the purchase price of Bonds or Beneficial Ownership Interests upon their optional or mandatory tender for purchase, and are not subject to the lien of the Indenture.

Rebate Fund

The Indenture creates the Rebate Fund to be held by the Trustee for the deposit of amounts required to make payments to the United States federal government in satisfaction of the arbitrage rebate requirements under Section 148 of the Code. Although moneys deposited with or paid to the Trustee for the account of the Rebate Fund are required to be held by the Trustee in trust, such moneys are not subject to the lien of the Indenture.

The amounts on deposit in the Rebate Fund will not be part of the Revenues assigned under the Indenture to the Trustee.

Investment of Funds

Moneys held in the above described Funds (other than moneys in the Remarketing Reimbursement Fund or moneys in the Bond Fund from drawings under the Letter of Credit, which moneys shall not be invested) are to be invested by the Trustee at the written direction of the Borrower, in Eligible Investments.

“Eligible Investments” means

- (i) Government Obligations, which are defined to mean (a) direct noncallable obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above.
- (ii) Federal Home Loan Mortgage Corporation (FHLMC) and Farm Credit Banks (Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) participation certificates and senior debt obligations which bear interest at a fixed rate and are fully amortizing;

- (iii) Federal National Mortgage Association's (FNMA) mortgage backed securities and senior debt obligations which bear interest at a fixed rate and are fully amortizing;
- (iv) Student Loan Marketing Association (Sallie Mae) letter of credit backed issues and senior debt obligations;
- (v) Federal funds, certificates of deposit, time deposits and bankers' acceptances (having original maturities of not more than 365 days) of any bank, the unsecured, uninsured and unguaranteed debt obligations of which (or, in the case of a bank subsidiary in a bank holding company, debt obligations of the bank holding company) have been rated "AA" or "A-1" or its equivalent by either Rating Agency at the time of purchase;
- (vi) commercial paper (having original maturities of not more than 270 days rated "A-1" or its equivalent by either Rating Agency at the time of purchase;
- (vii) obligations rated "AA" or "A-1" or its equivalent by either Rating Agency, or unrated general obligations of any person which has outstanding other unsecured, uninsured and unguaranteed obligations which are so rated by either Rating Agency at the time of purchase;
- (viii) repurchase agreements with any institution the unsecured, uninsured and unguaranteed debt obligations of which (or, in the case of a bank subsidiary in a bank holding company, debt obligations of the bank holding company) are rated "AA" or its equivalent by either Rating Agency at the time of purchase;
- (ix) tax-exempt obligations of any state of the United States of America or any political subdivision or other instrumentality of any such state and such obligations are rated in either of the two highest rating categories (i.e., "AA" or higher) of either Rating Service and are not "specified private activity Bonds" as defined in Section 57(a)(5)(C) of the Code at the time of purchase;
- (x) tax-exempt money market funds which are "qualified regulated investment companies" within the meaning of IRS Notice 87-22, dated October 25, 1987, and which meet the other requirements of IRS Notice 87-22 and any subsequent regulations necessary to exempt investments in such funds from the definition of "investment property" under Section 148 of the Code whose assets are solely invested in obligations rated in either of the two highest rating categories by either Rating Agency at the time of purchase;
- (xi) money market funds, when funds may be funds managed by the Trustee or any affiliates of the Trustee, the assets of which are obligations of or guaranteed by the United States and which funds are rated "Am" or "Am-G" or higher by Standard & Poor's Corporation at the time of purchase;
- (xii) investment agreements, including guaranteed investment contracts, acceptable to the Bank; and

- (xiii) obligations approved in writing by the Bank that are legal investments under Indiana law.

The Trustee shall hold and control all investments of moneys in the Rebate Fund, the Project Fund or the Bond Fund and interest accruing thereon and any profit realized from such investments will be credited, and any loss will be charged, to the particular fund from which the investment was made.

Events of Default and Remedies

The Indenture provides that each of the following shall be an “Event of Default”:

- (a) Failure to pay when due any interest on any Bond.
- (b) Failure to pay when due principal of or premium, if any, on any Bond whether at the stated maturity thereof, by redemption by acceleration or otherwise.
- (c) Failure to pay on a Bond Purchase Date or a Mandatory Bond Purchase Date amounts due to the Holder of any Bonds, or to the Beneficial Owners of any Beneficial Ownership Interests, tendered or deemed tendered to the Trustee pursuant to the Indenture. (See “THE BONDS - Purchase of Bonds or Beneficial Ownership Interests on Demand of Holders”, “Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Conversion Between Modes”, “Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Delivery of an Alternate Letter of Credit” and “Mandatory Tender for Purchase of Bonds or Beneficial Ownership Interests Upon Expiration of the Letter of Credit or Alternate Letter of Credit.”)
- (d) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part contained in the Indenture or the Bonds, which failure shall have continued for a period of thirty (30) days after written notice, by registered or certified mail, to the Issuer, the Bank and the Borrower specifying the failure and requiring it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bank or the Holders of not less than twenty-five percent (25%) in the aggregate principal amount of Bonds then Outstanding.
- (e) The occurrence and continuation of an Event of Default under the Loan Agreement.
- (f) Receipt by the Trustee of a written notice from the Bank which states that an Event of Default under the Credit Agreement has occurred and is continuing and directing the Trustee to accelerate the Bonds (see “THE CREDIT AGREEMENT - Events of Default and Remedies”).
- (g) Failure of the Bank to honor any drawing in accordance with the terms of the Letter of Credit.
- (h) Certain events of insolvency relating to the Bank.

(i) Receipt by the Trustee of written notice from the Bank by the close of business on the fifth calendar day following the date of any interest drawing on the Letter of Credit that the amount available to be drawn by the Trustee under the Letter of Credit has not been reinstated to an amount not less than 100% of the outstanding principal of the Bonds, plus interest on the Bonds at the Maximum Rate of 10% per annum for a period of 45 days, or 195 days if the Interest Rate Mode on the Bonds is six months or longer.

Upon the occurrence of an Event of Default under items (a), (b), (c), (f), (g) or (i), described above, the Trustee immediately shall declare the principal of and accrued interest on all outstanding Bonds to be immediately due and payable. Upon the occurrence of any other Event of Default (except an Event of Default specified in (h) described above), the Trustee shall, upon the written direction of the Bank, declare the principal of and accrued interest on all outstanding Bonds to be immediately due and payable. Upon the occurrence of an Event of Default under item (h) described above, and if there is not then existing an Event of Default described in (a), (b), (c), (f), (g) or (i) described above, the Trustee, without the consent of the Bank, may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds outstanding shall, declare the principal of and accrued interest on all outstanding Bonds to be immediately due and payable. If such a declaration is made, the Trustee is required to draw upon the Letter of Credit to the extent permitted by the terms thereof and to give notice to Holders of such acceleration.

In addition, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to remedy any Event of Default or to enforce the observance and performance of any other covenant, agreement or obligation of the Indenture, the Loan Agreement, the Note, or any other instrument providing security for the Bonds; provided, however, that the Trustee shall not pursue any such remedy without the prior written consent of the Bank so long as no Event of Default described in (g) or (h) above has occurred and is continuing.

The Trustee will also be empowered to enforce each and every right granted to it under the Loan Agreement as assigned to it and the Note.

Right of Holders to Direct Proceedings

The Holders of at least a majority in aggregate principal amount of Bonds then Outstanding will have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and the Indenture and that the Trustee shall be indemnified to its satisfaction; provided, however, that so long as no Event of Default described in (g) or (h) above has occurred and is continuing, the Bank shall have the exclusive right to give such directions to the Trustee.

Waivers of Events of Default

The Trustee, but only with the express written consent of the Bank (other than in the case of an Event of Default described in items (a), (b), (c), (g) or (h) above), may waive an Event of Default and its consequences and may rescind and annul any declaration of maturity of principal and interest of the Bonds. The Trustee shall do so upon the written request of the Bank (other than in the case of an Event of Default described in items (a), (b), (c), (g) or (h) above). Notwithstanding the foregoing, prior to waiving any Event of Default resulting in a draw on the Letter of Credit, the Trustee shall have received written confirmation from the Bank that the Letter of Credit has been reinstated to an amount not less than 100% of the outstanding principal of the Bonds, plus interest on the Bonds at the maximum rate of 10% per annum for a period of 45 days, or 195 days if the Interest Rate Mode on the Bonds is six months or longer. Further, and notwithstanding the foregoing, the Trustee may not waive any default under the Indenture if the Bank has provided notice of an event of default under the Credit Agreement and has not revoked or rescinded such notice.

There shall not be so waived, however, any Event of Default described in items (a), (b), (c), (g) or (h) above or any declaration of acceleration in connection therewith rescinded or annulled except with the written consent of the Holders of all Bonds then Outstanding and of the Bank. In the case of such waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned, or determined adversely to it, the Issuer, the Trustee, the Bank and the Holders shall be restored to their former positions and rights under the Indenture. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Applications of Moneys Received Pursuant to Right of Action Taken

All moneys received by the Trustee after an Event of Default and derived from any drawing made upon the Letter of Credit will be applied by the Trustee only to the payment of principal of or interest on the Bonds. Subject to the foregoing, all money received by the Trustee or a receiver from remedial action taken shall be applied to the payment of the costs and expenses of the proceedings resulting in the collection of such money, and the balance of such money shall be deposited in the Bond Fund and applied to the payment of Bond Service Charges on the Bonds in the manner and in order of priority set forth in the Indenture.

Rights and Remedies of Holders

No Holder of any Bond will have any right to institute any suit, action or proceeding for the enforcement of the Indenture or for the execution of any trust under the Indenture or any remedy under the Indenture, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified or of which it is deemed to have notice, and (ii) the Holders of not less than 25% in aggregate principal amount of the Bonds have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the powers provided in the Indenture or to institute such action, suit or proceeding and have offered to the Trustee indemnity as provided for in the Indenture, and (iii) the Trustee thereafter has failed or refused to exercise its powers under the Indenture or to institute such action, suit or

proceeding in its own name; provided, however, no Holder may institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or the enforcement of any remedy thereunder unless an Event of Default described in (g) or (h) above has occurred and is continuing.

Supplemental Indentures

The Issuer and the Trustee, with the consent of the Borrower and the Bank, may enter into supplemental indentures, without the consent of or notice to any of the Holders, for any one or more of the following purposes: (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture; (b) to grant to the Trustee additional rights, remedies, powers or authority for the benefit of the Holders; (c) to assign additional revenues under the Indenture; (d) to accept additional security and instruments of further assurance with respect to the Project; (e) to add to the covenants, agreements and obligations of the Issuer contained in the Indenture other covenants, agreements and obligations thereafter to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture; (f) to evidence any succession to the Issuer and the assumption by such successor of the covenants, agreements and obligations of the Issuer contained in the Indenture, the Loan Agreement and the Bonds; (g) to permit the exchange of Bonds for coupon Bonds in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Bonds (as defined in the Indenture), bearing interest at the same rates and maturing on the same dates, if that exchange would not result in the interest on any of the Bonds outstanding becoming included in the gross income of the Holders for federal income tax purposes; (h) to permit the Trustee to comply with any obligations imposed upon it by law; (i) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar, the Remarketing Agent and any Paying Agents or Authenticating Agents; (j) to achieve compliance of the Indenture with any applicable federal securities or tax law; (k) to evidence the appointment of a new Remarketing Agent; (l) to permit any other amendment which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Holders, including, but not limited to, changes required in order to obtain or maintain a rating on the Bonds from a Rating Service; and, (m) to accept a Supplemental Credit Facility as described in the Indenture (provided that the Trustee is required to notify the Holders 30 days prior to the effectiveness of any Supplemental Credit Facility).

Exclusive of supplemental indentures for the purposes above summarized, the consent of the Borrower, the Bank and the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding will be required to approve any indenture supplementing the Indenture provided that: (i) without the consent of the Holder of each Bond affected, no supplemental indenture shall permit an extension of the maturity of the principal of or the interest on any Bond, or a reduction in principal amount of any Bond or the rate of interest or redemption premium on any Bond, or a reduction in the amount or extension of the time of any payment required by any mandatory sinking-fund requirements of the Indenture, and (ii) without the consent of the Holders of all Bonds then Outstanding, no supplemental indenture shall permit a privilege or priority of any Bond over any other Bond, or a reduction in the aggregate principal amount of Bonds required for consent to such supplemental indenture.

Discharge of Lien

The lien of the Indenture will be discharged if the Issuer shall pay or cause to be paid and discharged all the outstanding Bonds or there shall otherwise be paid to the Holders of the outstanding Bonds all Bond Service Charges due or to become due thereon, and provisions shall also be made for paying all other amounts payable under the Indenture, the Loan Agreement and the Note.

Any Bond shall be deemed to be paid and discharged for all purposes of the Indenture when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture) shall have been made or caused to be made with funds available therefor on deposit in the Bond Fund (as defined in the Indenture) in accordance with the terms thereof. All the outstanding Bonds will be deemed to have been paid and discharged within the meaning of the Indenture if (a) the Trustee and any Paying Agent shall have received and hold in trust and irrevocably committed for such payment, sufficient moneys which are Eligible Funds or the proceeds of drawings under the Letter of Credit, or other moneys accompanied by an opinion of bankruptcy counsel in a form acceptable to the Trustee and the Rating Service, if any, for the Bonds, or (b) the Trustee shall hold in trust, irrevocably committed for such payment, direct noncallable Government Obligations (purchased with Eligible Funds or the proceeds of drawings under the Letter of Credit or other moneys accompanied by an opinion of bankruptcy counsel in a form acceptable to the Trustee and the Rating Service if any, for the Bonds), certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with moneys referred to in (a) above, for the payment, at their maturities or redemption dates, of all payments of Bond Service Charges on the Bonds to the date of maturity or redemption, as the case may be; provided that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice; and further provided that the Bonds shall not be deemed to be paid and discharged within the meaning of this paragraph (i) if the Interest Rate Mode of such Bonds is other than the Fixed Interest Rate, unless such Bonds are to be redeemed on or prior to the next Interest Rate Adjustment Date for such Bonds and notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice, or (ii) if they bear interest at the Weekly Interest Rate. Any moneys so held by the Trustee may be invested by the Trustee, but only in Government Obligations, the maturities or redemption dates of which, at the option of the Holder, shall be not later than the date or dates at which said moneys will be required for the aforesaid purposes.

Notwithstanding anything herein to the contrary, if any Bonds are then rated by a Rating Service, no such Bonds shall be deemed to have been paid and discharged by reason of any deposit pursuant to paragraphs (a) and/or (b) above (other than any deposit of moneys, or Government Obligations purchased with moneys, which are the proceeds of drawings under the Letter of Credit) unless each such Rating Service shall have confirmed in writing to the Trustee that its rating will not be withdrawn or lowered as the result of any such deposit.

Unclaimed Moneys

In the event of nonpresentment of Bonds or uncashed checks or drafts for interest, the moneys sufficient to pay such Bonds or checks or drafts shall be held by the Trustee, without liability for interest thereon, in a separate account in the Bond Fund; provided that any moneys which shall be so held by the Trustee and which remain unclaimed by the Holder of the Bond for a period of four (4) years shall be paid to the Bank, unless the Bank confirms to the Trustee that no moneys are due under the Credit Agreement, in which case such moneys will be paid to Borrower. Thereafter, the Holders will be entitled to look only to the Borrower and only to the extent of the moneys so paid.

The Trustee

The Trustee is J.P. Morgan Trust Company, National Association, which has a corporate trust office in Indianapolis, Indiana. The Trustee will undertake to perform such duties as are specifically set forth in the Indenture. At the time of an Event of Default and during the continuation thereof, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise under the circumstances.

The Indenture will provide that the Trustee shall be entitled to act upon opinions of counsel as specified in the Indenture and shall not be responsible for any loss or damage resulting from reliance thereon in good faith. In addition, the Indenture will provide that the Trustee shall be entitled to rely on certain other instruments and it shall not be liable for any action reasonably taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it in the Indenture.

Extent of Issuer's Covenants: No Personal Liability

All agreements of the Issuer contained in the Indenture shall be effective to the extent authorized and permitted by applicable law and they shall not be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer. No official of the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

ESTIMATED SOURCES AND USES

The sources and uses of Bond proceeds to pay all or a portion of the costs of the Project, and to pay expenses incurred in connection with the issuance of the Bonds, are estimated to be as follows:

Sources of Funds:

Bond Proceeds	<u>\$6,000,000</u>
Total Sources	<u>\$6,000,000</u>

Uses of Funds:

Project Costs	<u>\$5,895,300</u>
Costs of Issuance ⁽¹⁾	<u>87,200</u>
Letter of Credit Fees ⁽²⁾	<u>17,500</u>
Total Uses	<u>\$6,000,000</u>

(1) Including Underwriter's discount.

(2) Issuance fee and Bank counsel fee, paid at closing.

LITIGATION

Issuer

To the knowledge of the Issuer, there is not now pending nor, to the knowledge of the Issuer, threatened any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the knowledge of the Issuer, threatened which in any manner questions the right of the Issuer to enter into the Indenture or the Loan Agreement or to secure the Bonds in the manner provided in the Indenture and the Act.

Borrower

No action, suit, proceeding, or investigation at law or in equity, before or by any court, any governmental agency, or any public board or body is pending or, to the Borrower's knowledge, threatened affecting the validity of the Loan Agreement, the Indenture, the Tax Certificate, the Bond Purchase Agreement, the Remarketing Agreement, the Credit Agreement, the Bonds, or contesting the corporate existence or powers of the Borrower. There is presently no material litigation pending or, to the knowledge of its officers, threatened against the Borrower except for litigation in which the probable recoveries and the estimated costs and expenses of defense, in the opinion of management to the Borrower, will be entirely within the Borrower's applicable insurance policy limits (subject to applicable deductibles), or which otherwise would not materially adversely affect the business or properties of the Borrower.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified legal opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be delivered simultaneously with the issuance of the Bonds. Certain legal matters will be passed upon for the Issuer by its special counsel, Ice Miller LLP, Indianapolis, Indiana; for the Borrower by its counsel, Hall, Render, Killian, Heath & Lyman, P.C., Indianapolis, Indiana; and for the Bank by its counsel, Krieg DeVault LLP, Indianapolis, Indiana.

Bond Counsel has not undertaken independently to verify any information contained in this Official Statement, except that representatives of such firm participating in the issuance of the Bonds have reviewed the information under the headings “INTRODUCTORY STATEMENT,” “THE BONDS,” SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” “THE LOAN AGREEMENT,” “THE INDENTURE,” “TAX MATTERS” and “SECONDARY MARKET DISCLOSURE,” and in “APPENDIX B,” and determined that such information conforms in all material respects to the provisions of the documents and other matters set forth therein. Bond Counsel has not undertaken to review the accuracy or completeness of statements under any other heading of this Official Statement, including particularly matters related to the financial condition of the Borrower and the Bank and other financial data concerning the Borrower and the Bank, and expresses no opinion thereon nor assumes any responsibility therewith.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) for federal income tax purposes. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the code and is conditioned on continuing compliance by the Issuer and the Borrower with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana (“State”). This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix B for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer and Borrower will covenant not to take any action, within their respective power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the “Tax Covenants”). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the

Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an Event of Default under the Indenture if interest on the Bonds is not excludable from gross income for federal income tax purposes.

The interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax and the environmental tax imposed by Section 59A of the Code.

Indiana Code (IC) 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Bonds.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds, including whether a Bondholder that purchases Bonds in the secondary market at a price other than par may have potential sale or exchange consequences on a conversion of the Bonds from one Interest Rate Mode to another, even if the Bondholder elects to retain its Bonds upon any such conversion.

LEGAL OPINIONS AND ENFORCEABILITY OF RIGHTS AND REMEDIES

The enforceability of the rights and remedies of the Trustee or the owners of the Bonds under the Indenture and the Loan Agreement and the availability of remedies to any party seeking to enforce the Indenture or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decision, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Indenture and the Loan Agreement and the availability of remedies to any party seeking to enforce the security granted thereby may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the State), in a manner consistent with the public health and welfare. The enforceability of the Indenture and the availability of remedies to a party seeking to enforce a pledge of security under the Indenture in a situation where such enforcement or availability may adversely affect public health and welfare may be subject to these police powers.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CREDIT RATING

A rating for the Bonds was applied for by the Borrower, and certain information was supplied by the Borrower to Moody's Investors Service ("Moody's"), to be considered in evaluating the Bonds. Moody's has assigned its municipal bond rating of "Aa2/VMIG1" to the Bonds, with the condition that upon delivery of the Bonds the Letter of Credit will be issued by the Bank. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. The rating for the Bonds referred to herein is subject to change, suspension, or withdrawal at any time by such rating service for a number of reasons, including changes in, or the unavailability of, information for the rating service, and any such change, suspension, or withdrawal may affect the market price or marketability of the Bonds. Such rating reflects only the view of the rating agency and is not a recommendation to buy, sell, or hold the Bonds, and the rating and the Bonds should be evaluated independently.

Additional information with respect to the rating may be obtained from Moody's at 99 Church Street, New York, New York 10007.

UNDERWRITING

The Underwriter has agreed, subject to certain customary conditions precedent to closing, to purchase the Bonds from the Issuer at a purchase price of \$6,000,000, representing the original aggregate principal amount of the Bonds less Underwriter's discount of \$19,500. The Underwriter will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such public offering price may be changed, from time to time, without notice by the Underwriter. The Borrower has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities, including liabilities under the federal securities laws.

SECONDARY MARKET DISCLOSURE

The Bonds are exempt from the continuing disclosure requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”) so long as they bear interest in an Adjustable Interest Rate Mode having a duration of nine months or less. If the Bonds are converted to bear interest in a Fixed Interest Rate Mode or an Adjustable Interest Rate Mode having a duration of more than nine months, the Bonds may become subject to the continuing disclosure requirements of the Rule and, in such event, the Borrower has covenanted that it will comply with the Rule and all other statutes, regulations, judicial decisions or laws relating to continuing disclosure, including, without limitation, executing and delivering an undertaking to comply with such statutes, regulations, judicial decisions or laws on or prior to the remarketing of such Bonds upon their conversion to bear interest in a Fixed Interest Rate Mode or an Adjustable Rate Interest Mode having a duration of more than nine months.

SPECIAL RELATIONSHIPS

Ice Miller LLP, Indianapolis, Indiana, serves as Bond Counsel, as special counsel to the Issuer and as special disclosure counsel. Ice Miller LLP is not serving as Borrower’s counsel on this transaction, but otherwise regularly provides legal services to the Borrower. Jack R. Snyder, a retired partner of Ice Miller LLP, serves on the Board of Trustees of the Borrower. RBC Dain Rauscher Inc. d/b/a RBC Capital Markets serves as both Underwriter and Remarketing Agent. J.P. Morgan Trust Company, National Association, the Trustee, and JPMorgan Chase Bank, N.A., the Bank, are both direct subsidiaries of JPMorgan Chase & Co. The Trustee’s affiliation with the Bank, on the one hand, and the Trustee’s duties to Bondholders, on the other hand, may subject the Trustee to potential conflicts of interest, which could adversely affect the Trustee’s discharge of its duties to Bondholders.

MISCELLANEOUS

The agreement of the Issuer with the Holders of the Bonds is fully set forth in the Indenture, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Bonds. The references herein to the Act, the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Remarketing Agreement, the Letter of Credit and the Credit Agreement are summaries of certain provisions thereof. Such summaries do not purport to be complete and for full and complete statements of the provisions thereof reference is made to the Act, the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Remarketing Agreement, the Letter of Credit and the Credit Agreement. Prior to the delivery of the Bonds, copies of the proposed forms of such documents may be obtained from the Underwriter. Subsequent to delivery of the Bonds, copies of such documents may be obtained from the Trustee. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Borrower, represented by certain of its officers and administrative staff, has reviewed the information contained herein which relates to the Borrower, the Project and the financing, and the Borrower, acting through such officers and administrative staff, has approved all such information contained herein for use within this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Borrower.

MARIAN COLLEGE, INC.

By: /s/ William Curran
William Curran, Vice President for
Financial and Business Operations

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APPENDIX A

INFORMATION CONCERNING JPMORGAN CHASE BANK, N.A.

The information contained in this Appendix A to this Official Statement relates to and has been provided solely by JPMorgan Chase Bank, N.A. (the “Bank”). The delivery of this Official Statement does not create any implication that there has been no change in the affairs of the Bank since the date hereof or that the information contained or referred to in this Appendix A is correct as of any time subsequent to its date. Neither the Issuer, the Borrower, the Underwriter nor the Remarketing Agent makes any representation or warranty as to the accuracy, adequacy or completeness of the information contained in this Appendix A.

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JPMORGAN CHASE BANK, N.A.

The information set forth below regarding JPMorgan Chase Bank, N.A. (the “Bank”) has been furnished solely by the Bank for use in this Official Statement and is believed to be reliable, but has not been verified independently by the Issuer, the Borrower, the Underwriter or the Remarketing Agent. The Issuer, the Borrower, the Underwriter and the Remarketing Agent make no representations or warranties as to the accuracy, adequacy or completeness of such information. No representation is made by the Bank as to the accuracy, adequacy or completeness of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

JPMorgan Chase Bank, N.A. (“Bank”) is a wholly owned bank subsidiary of JPMorgan Chase & Co. (“JPMorgan Chase”), a Delaware corporation whose principal office is located in New York, New York. The Bank is a commercial bank offering a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of December 31, 2005, the Bank, had total assets of \$1,013.9 billion, total net loans of \$358.5 billion, total deposits of \$552.5 billion, and total stockholder’s equity of \$86.3 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income as at December 31, 2005, which are filed with the Federal Deposit Insurance Corporation.

Additional information, including the most recent Form 10-K for the year ended December 31, 2004, of JPMorgan Chase & Co., the 2004 Annual Report of JPMorgan Chase & Co. and additional annual, quarterly and current reports filed or furnished with the Securities and Exchange Commission by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017.

Delivery of this Official Statement shall not create any implication that there has been no change in the affairs or financial condition of the Bank or JPMorgan Chase since the date hereof, or that the information contained or referred to in this Official Statement is correct as of any time subsequent to its date.

The information contained under this caption relates to and has been obtained from the Bank. The information concerning the Bank and JPMorgan Chase contained herein is furnished solely to provide limited introductory information regarding the Bank and JPMorgan Chase and does not purport to be comprehensive. Information regarding the Bank and JPMorgan Chase is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

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APPENDIX B

FORM OF BOND COUNSEL APPROVING OPINION

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March 30, 2006

Indiana Health and Educational Facility
Financing Authority
Indianapolis, Indiana

J.P. Morgan Trust Company, National
Association, as Trustee
Indianapolis, Indiana

Marian College, Inc.
Indianapolis, Indiana

JPMorgan Chase Bank, N.A., as provider of
the Letter of Credit
Indianapolis, Indiana

RBC Dain Rauscher Inc.
d/b/a RBC Capital Markets
Columbus, Ohio

Re: Indiana Health and Educational Facility Financing Authority Variable Rate Demand Educational Facilities Revenue Bonds, Series 2006 (Marian College Project) (the "Bonds") issued pursuant to the Trust Indenture, dated as of March 15, 2006 (the "Indenture") between the Indiana Health and Educational Facility Financing Authority (the "Issuer") and J.P. Morgan Trust Company, National Association, as trustee (the "Trustee"), which Indenture contains an assignment of certain of the Issuer's rights under the Loan Agreement dated as of March 15, 2006 (the "Loan Agreement") between the Issuer and Marian College, Inc. (the "Borrower"); Total issue \$6,000,000

Ladies and Gentlemen:

In delivering our opinion, we have examined and relied upon a certified transcript of proceedings and other certificates and representations of the Borrower and the Issuer, including the Borrower's Tax Representation Certificate and the Issuer's Certificate Re: Arbitrage (collectively, the "Tax Covenants"), and have not undertaken to verify any facts by independent investigation.

We also have examined Indiana Code 5-1-16 and Indiana Code 20-12-63, each as supplemented and amended, and such other provisions of the constitution and laws of the State of Indiana (the "State") as we have deemed relevant and necessary as a basis for the opinions set forth herein.

Based on the foregoing and our review of such other information, papers and documents as we believe necessary or advisable, we are of the opinion that:

1. The Loan Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery thereof by the other party thereto, is a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

2. The Indenture has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery thereof by the Trustee, is a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Bonds have been duly authorized, executed and issued and are valid and binding limited obligations of the Issuer enforceable in accordance with their terms.

4. Under existing laws, regulations, judicial decisions and rulings, the interest on the Bonds is exempt from income taxation in the State. This opinion relates only to the tax exemption of interest on the Bonds from State income taxes.

5. Under existing laws, regulations, judicial decisions and rulings, the interest on the Bonds is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code") for federal income tax purposes. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Borrower and the Issuer with the Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

By the terms of the Indenture, the Loan Agreement and other relevant documents, the interest rate mode as set forth in the Indenture for the Bonds may be changed and certain actions may be taken under the circumstances and subject to the terms and conditions set forth in such documents subject to receipt of an approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to the effect upon any Bond or the excludability of the interest thereon for federal income taxation purposes resulting from any such change or action.

It is understood that the rights of the owners of the Bonds, the Issuer, the Trustee and the Borrower and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is understood that the rights of the owners of the Bonds, the Issuer, the Trustee and the Borrower and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

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